

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, June 16, 2015 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

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STATE BUDGET AND CONTROL BOARD

MEETING OF June 16, 2015

AGENCY: Budget and Control Board

SUBJECT: Resolution for Samuel L. Wilkins

The Board is asked to adopt a resolution commending Samuel L. Wilkins, Director of the Human Resources Division of the South Carolina Budget and Control Board upon the occasion of his retirement from State government after 35 years of service.

BOARD ACTION REQUESTED:

Adopt a resolution commending Samuel L. Wilkins, Director of the Human Resources Division of the South Carolina Budget and Control Board upon the occasion of his retirement from State government after 35 years of service.

ATTACHMENTS:

Resolution

RESOLUTION
OF THE
SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, Samuel L. Wilkins, a native of Florence, graduated from Furman University and the University of South Carolina School of Law; and

WHEREAS, for thirty-five years he has with distinction and dedication diligently served the State of South Carolina in various capacities, most recently as Director of the Human Resources Division of the South Carolina Budget and Control Board since 2002; and

WHEREAS, he gained the knowledge and skills necessary for his current position by working his way up through the ranks of public service, including the Office of the Attorney General where he was Chief of the Governmental Litigation Division and the Human Resources Division where he served as Assistant Director and Legal Counsel; and

WHEREAS, he is active in the South Carolina and National Chapters of the International Public Management Association for Human Resources (IPMA-HR), where he served as President of each chapter and was awarded the Seven Seals Award from IPMA-HR for meritorious leadership and initiative in support of the men and women who serve in the National Guard and Reserve; and awarded an Honorary Lifetime Membership in IPMA-HR for his outstanding contributions to the Public Human Resources Profession; and

WHEREAS, he served as President of the National Association of State Personnel Executives (NASPE) and on its Executive Committee and was selected to participate in the Council of State Governments 2004 Toll Fellowship Program. He is the recipient of the 2005 Eugene H. Rooney Award for Leadership in Human Resources Management presented by NASPE; and

WHEREAS, his foresight and vision for the human resources profession is evidenced in the programs developed under his leadership, including the implementation of NEOGOV, which automated the State's recruitment, selection and hiring process, the expansion of recruiting efforts for state government's health care related positions, the establishment of the HR Professional Development training program, his assistance in the implementation of the SC Enterprise Information System (SCEIS), and his service as Chair for the committee to study and develop recommendations for a separate comprehensive human resources system for higher education institutions as authorized by the Higher Education Efficiency and Administrative Policies Act of 2011.

NOW, THEREFORE, BE IT RESOLVED that the State Budget and Control Board, acting for itself and on behalf of the people of South Carolina, recognizes, commends, and extends its deep appreciation to Samuel L. Wilkins for his many years of exemplary public service to his native State, and, by this means, offers its best wishes for a retirement that will be as satisfying and rewarding to him as the Board believes his service has been to the people of South Carolina.

FURTHER, the Board directs that a copy of this Resolution be presented to Mr. Wilkins and that a copy be retained among the Board's official records.

Adopted this 16th day of June, 2015, in Columbia.

Nikki R. Haley
Governor and Chair

Curtis M. Loftis, Jr.
State Treasurer

Richard Eckstrom
Comptroller General

Hugh K. Leatherman, Sr.
Chairman, Senate Finance Committee

W. Brian White
Chairman, Ways and Means Committee

STATE BUDGET AND CONTROL BOARD
MEETING OF June 16, 2015

AGENCY: Budget and Control Board

SUBJECT: Minutes of Previous Meeting

Attached is a draft version of the minutes of following meeting:

April 28, 2015

State Budget and Control Board

Educational Facilities Authority for Private Nonprofit Institutions of Higher
Learning

BOARD ACTION REQUESTED:

Approve the minutes of the April 28, 2015, Budget and Control Board meeting; and, acting as the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, approve the minutes of the April 28, 2015, Authority meeting.

ATTACHMENTS:

Referenced minutes

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

April 28, 2015 -- 9:30 A. M.

The Budget and Control Board (Board) met at 9:30 a.m. on Tuesday, April 28, 2015, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Nikki R. Haley, Chair;
Mr. Curtis M. Loftis, Jr., State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
Representative W. Brian White, Chairman, Ways and Means Committee.

Also attending were Budget and Control Board Executive Director Marcia Adams; Chief of Staff Paul Koch; Division Director Nolan Wiggins; General Counsel David Avant; Governor's Chief of Staff James Burns; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Budget Analyst Blythe Littlefield; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

[Secretary's Note: The Board met immediately following a meeting of the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, the members of which are the Budget and Control Board members, ex officio.]

Adoption of Agenda for Budget and Control Board

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted the agenda as proposed.

Minutes of Previous Meeting

Upon motion by Senator Leatherman, seconded by Mr. White, the Board approved the minutes of the March 18, 2015, Budget and Control Board meeting.

Blue Agenda

Upon a motion by Mr. White, seconded by Mr. Eckstrom, the Board approved blue agenda items 1, 2, 4, 5, and 6 as noted herein. By way of a separate action, the Board approved blue agenda item #3. All Board members with exception of Mr. Eckstrom voted to approve blue agenda item #3.

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State Treasurer: Bond Counsel Selection (Blue Agenda Item #1)

The Board approved the following notification of the assignment of bond counsel for conduit issues for bond counsel as requested by the State Treasurer's Office:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$15,000,000 SC JEDA	University Medical Associates	McNair Law Firm	Nexsen Pruet
\$67,000,000 SC JEDA	Presbyterian College	Haynsworth Sinkler Boyd	Parker Poe
\$8,750,000 SC JEDA	Watson Engineering	Nexsen Pruet	McNair Law Firm
\$69,500,000 SC JEDA	Furman University	Haynsworth Sinkler Boyd	Pope Flynn

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

Division of General Services: Easements (Blue Agenda Item #2)

The Board approved the following easements in accordance with the SC Code of Laws as requested by the Division of General Services:

- (a) County Location: Barnwell
From: Budget and Control Board
To: South Carolina Electric and Gas Company
Consideration: \$875
Description/Purpose: To grant a 0.1675 acre easement for the installation, operation and maintenance of overhead electric line(s) and associated facilities adjacent to the Barnwell State Park property on Pleasant Home Road. The easement is needed to provide service to a new customer. Consideration is \$500 plus the Barnwell County assessed value.

- (b) County Location: Chesterfield
From: Budget and Control Board
To: Pee Dee Electric Cooperative
Consideration: \$3,574
Description/Purpose: To grant a 1.098 acre easement for the installation, operation and maintenance of underground electric line(s) and

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associated facilities upon property of the Sand Hills State Forest. The easement is needed to provide service to a CSX railroad signal. Consideration is \$500 plus the Chesterfield County assessed value.

- (c) County Location: Lancaster
From: Budget and Control Board
To: Haile Gold Mine, Inc.
Consideration: \$855
Description/Purpose: To grant a 0.22 acre easement for the purpose of performing road improvements to US Highway 601 (Haile Gold Mine Road) along property of the Kershaw Correctional Institution. The easement is needed to make the necessary road improvements, grading of the roadside shoulder and drainage ditch to facilitate the operation of the Haile Gold Mine facility. Consideration is \$500 plus the Lancaster County assessed value.

The Board concurred and acquiesced in granting the following easements as requested by the Division of General Services:

- (d) County Location: Charleston
From: Medical University of South Carolina
To: Charleston County
Consideration: \$1
Description/Purpose: To grant a 0.026 acre easement for road widening on Calhoun and Courtenay Streets. The easement is part of Charleston County's RoadWide Project. The easement will be of mutual benefit to MUSC and Charleston County.
- (e) County Location: Charleston
From: Medical University Hospital Authority
To: Charleston County
Consideration: \$1
Description/Purpose: To grant a 0.043 acre easement for road widening on Calhoun and Courtenay Streets. The easement is part of Charleston County's RoadWide Project. The easement will be of mutual benefit to MUHA and Charleston County.
- (f) County Location: Charleston
From: Charleston Naval Complex Redevelopment Authority

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- To: South Carolina Electric and Gas Company
Consideration: \$5
Description/Purpose: To grant two utility easements totaling 0.19 acre for the construction, installation, operation and maintenance of electric lines on property of the former Charleston Naval Complex. The easements will serve Clemson's Wind Turbine Drive Train Test Facility, as well as the new port and rail terminals being constructed by the State Ports Authority and Palmetto Railways.
- (g) County Location: Richland
From: Department of Mental Health
To: South Carolina Electric and Gas Company
Consideration: \$1
Description/Purpose: To grant a 0.11 acre easement for the construction, installation, operation and maintenance of overhead electric line(s) and associated facilities along the boundary between Lexington-Richland Alcohol and Drug Abuse Council and the Department of Mental Health's Administration Building. The easement is being sought by the Department of Mental Health for the benefit of the property.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

Division of General Services: Real Property Conveyance (Blue Agenda Item #3)

With regard to this item, Mr. Eckstrom commented that he has raised the issue of the Board approving sales without the benefit of information concerning the sale. He said if the law envisions the Board voting to dispose of under used property that is one thing. He said, however, that if the law anticipates that the Board looks at whether a transaction like the one in question makes business sense or serves the best public interest, the Board is not given enough information to do so. He said the items are presented in a general way and there is no basis to support the disposition of the property. Mr. Eckstrom further stated that the Board has no knowledge of what the ultimate sales price will be for the parcels. He noted that the Board is being asked to approve sales to unknown parties because they have not been identified and at prices which the Board has no idea of the relationship between those prices and what the State

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has paid for the property. Ms. Adams responded that she understood Mr. Eckstrom's issues. She stated that Board staff is working on a real estate strategy that will put together the surplus property and bring it to the Board in packages that show the economic benefit of why the State does not need to own the surplus property anymore and what the State intends to do to get the best value for the property. Ms. Adams stated there are agencies that have identified surplus property that is not needed anymore. She said that if Mr. Eckstrom wanted to see additional information on the items that could be provided once the information is identified. Mr. Eckstrom commented that if the Board's oversight means anything, the Board is not given enough detail to perform meaningful oversight.

Mr. Eckstrom further stated that what has been left out of the discussion is whether another state entity could use the parcels. Ms. Adams said part of the process is that state entities are consulted prior to putting property on the market for private entities to bid to see if anyone needs the use of the facility or the land. Mr. Eckstrom said there is not enough information available to the Board for it in any meaningful way to approve the disposition of property when the sales price and the buyer have not been identified. Ms. Adams said that would require bringing the matter back at the time of sale in order to provide that information.

The Board approved the following real property conveyance as requested:

- (a) **Agency:** Department of Employment and Workforce
Acreage: 2.27 acres
Location: Technology Boulevard, Conway
County: Horry
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be retained and/or divided accordingly between the Department of Employment and Workforce and the Budget and Control Board based on federally funded real property requirements and pursuant to Proviso 101.23.
- (b) **Agency:** Department of Employment and Workforce
Acreage: 0.84± acres and a 4,293 square foot office building
Location: 18 Hazel Street, Clinton
County: Laurens
Purpose: To dispose of surplus real property.

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Price/Transferred To: Not less than appraised value/To be determined
Disposition of To be retained and/or divided accordingly between the
Proceeds: Department of Employment and Workforce and the Budget and
Control Board based on federally funded real property
requirements and pursuant to Proviso 101.23.

- (c) **Agency:** **Department of Public Safety**
Acreage: 2.607± acres and a 31,395 square foot three-story office
building
Location: 8740 North Park Boulevard, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of To be divided between Budget and Control Board and
Proceeds: Department of Public Safety pursuant to Proviso 101.23.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

Division of Procurement Services: Procurement Audits (Blue Agenda Item #4)

In accordance with Section 11-35-1230 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services reviewed the procurement systems of the South Carolina State Accident Fund and the South Carolina State Museum. As both agencies have not requested procurement certification, the audit reports are submitted as information only.

The Board received the audit reports of the South Carolina State Accident Fund and the South Carolina State Museum as information only.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

Executive Director: Revenue Bonds (Blue Agenda Item #5)

The Board approved the following proposals to issue revenue bonds:

- a. **Issuing Authority:** Georgetown County
Amount of Issue: \$20,100,000 Revenue Refunding Bonds (\$20,100,000 refunding involved)

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Allocation Needed: -0-
Name of Project: Georgetown Mill of International Paper
Employment Impact: not applicable – refunding project
Project Description: to refund Georgetown County's (i) \$7,500,000 Environmental Improvement Revenue Bonds, 2004 Series A, (International Paper Company Project), (ii) \$7,600,000 Environmental Improvement Revenue Bonds, 2006 Series A (International Paper Company Project), and (iii) \$5,000,000 Environmental Improvement Revenue Bonds, 2005A Series (International Paper Company Project), the proceeds of which were used by the company to finance the costs of the acquisition, improvement, construction and installation of certain solid waste disposal, wastewater treatment and sewage facilities located at the mill.
Bond Counsel: Alan C. Cason, McGuire Woods LLP
(Exhibit 5)

- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$69,500,000 Economic Development Revenue and Revenue Refunding Bonds (\$40,000,000 refunding involved)

Allocation Needed: -0-
Name of Project: Furman University
Employment Impact: maintain employment for 84 people
Project Description: renovating and rehabilitating student housing facilities, along with other capital projects related to educational, administrative faculty or student facilities and programs, and advance refunding the \$40,000,000 original principal amount Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning (South Carolina) Education Facilities Revenue Bonds (Furman University, Series 2006A)

Note: *underwriting for public distribution*
Bond Counsel: E. Tyler Smith, Haynsworth Sinkler Boyd, P. A.
(Exhibit 6)

- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$67,000,000 Economic Development Revenue and Revenue Refunding Bonds (\$32,992,000 refunding involved)
Allocation Needed: -0-
Name of Project: Presbyterian College
Employment Impact: maintain employment for 300 people
Project Description: (a) renovations to and furnishings for Neville Hall, a historic academic building, including a 14,000 square foot addition of academic space and landscaping related thereto, (b) construction of 200 bed apartment style student housing including equipment and furnishings and providing parking thereto, (c) construction and

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renovation of other academic buildings including equipment and furnishings therefore, and (d) refund the \$23,500,000 original principal amount Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning Education Facilities Revenue Bond (Presbyterian College Project) Series 2009 of which \$22,075,000 is outstanding; the \$3,550,000 original principal amount Educational Facilities Authority for Private nonprofit Institutions of Higher Learning Educational Facilities Refunding Revenue Bond (Presbyterian College Project) Series 2010 of which \$3,550,000 is outstanding; and the \$7,871,000 original principal amount South Carolina Jobs-Economic Development Revenue Bond (Presbyterian College Project), Series 2011 of which \$3,550,000 is outstanding.

Note:

private sale

Bond Counsel:
(Exhibit 7)

Kathleen C. McKinney, Haynsworth Sinkler Boyd, P. A.

- d. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$15,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: University Medical Associates
Employment Impact: create and/or maintain permanent employment for at least 1780 people
Project Description: acquire Parkshore Centre located at One Poston Road in the City and County of Charleston to be used for administrative functions of the borrower, including accounting and billing
- Note:* *private placement*
Bond Counsel: Rion D. Foley, McNair Law Firm, P. A.
(Exhibit 8)

- e. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$8,750,000 Economic Development Revenue Bonds (\$3,335,000 refunding involved)
Allocation Needed: \$8,750,000
Name of Project: Watson Engineering, Inc.
Employment Impact: 30 new jobs and maintaining 120 jobs
Project Description: expansion of manufacturing facilities used primarily in the prototype and production manufacturing of fabricated steel and tubular metal components servicing primarily the automotive and agricultural industries and refunding all or a portion of the \$7,700,000 Variable Rate Demand Economic Development Revenue Bonds, Series 2007 (Watson Engineering, Inc. Project) dated September 10, 2007, currently outstanding in the principal

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amount of \$3,335,0000
Note: *negotiated private sale*
Bond Counsel: Alan M. Lipsitz, Nexsen Pruet, LLC
(Exhibit 9)

Executive Director: Economic Development (2015 Ceiling Allocations) (Blue Item #6)

The initial balance of the 2015 state ceiling allocation is \$483,248,200. In accord with Code Section 1-11-520, \$193,299,280 (40% of the total) was designated as the state pool and \$289,948,920 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$483,248,200 remaining for 2015. Allocation requests for 2015 totaling \$8,750,000 have been received thus far.

Relating to requests for calendar year 2015 ceiling allocations, the Board was asked to authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

The recommendation from the Department of Commerce for allocation for this cycle total \$8,750,000. The Department of Commerce makes the following recommendation:

From the local pool:

JEDA, Watson Engineering, Inc., (Anderson County) \$8,750,000.

Board approval of the recommended request, this will leave an unexpended state ceiling balance of \$474,498,200 (state pool - \$193,299,280; local pool - \$281,198,920) to be allocated later in the calendar year.

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, granted the following tentative ceiling allocation from the local pool: JEDA, Watson Engineering, Inc., (Anderson County) \$8,750,000; and

The Board also authorized shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

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Patriots Point Development Authority: Extension Request for Repayment of Interagency Loan (Regular Session Item #1)

The Patriots Point Development Authority requested the Board approve an extension of the intergovernmental loan originally made to the Authority in June of 2009. The purpose of the loan was to make emergency repairs to the USS Laffey. Repayment of the loan was originally due on December 1, 2010. The Board extended the loan for a two year period in May of 2011 and for a two year period in May of 2013. To date, Patriots Point has paid \$500,000.00 in principal and approximately \$400,000.00 in interest. As reflected in a letter dated April 16, 2015 from the State Treasurer's Office to Patriots Point, the total debt service due is \$9,004,082.88, consisting of \$8,700,000.00 in principal and \$304,082.88 in interest.

Senator Leatherman asked if the \$408,000 (sic) interest payment brings the interest payments current. Ms. Adams said that it does.

Mr. Eckstrom asked why the interest is as high as it is and does the law state what the rate should be. Rick Harmon with the State Treasurer's Office said that the statutory requirement for intergovernmental loans requires that the Treasurer set the rate or the Board to establish the rate at the rate earned in banks. Mr. Eckstrom asked if the rate was set at 1.75%. Mr. Harmon said that 1.75% is the rate and that it was established at the time of the expenditure based upon the terms that were expected to be outstanding at that time. Mr. Eckstrom asked if the rate should be compared from time to time to give the State agency the benefit of a lower rate if the prevailing rates are lower. Mr. Harmon said that could be done at the Board's direction. Mr. Loftis asked what should happen if the interest rate rose. Mr. Eckstrom said that the agency should pay the higher interest rate. Mr. Loftis commented that the Treasurer's Office would do a reset to the prevailing rate. Mr. Harmon asked if the reset should take place if there is an extension. Mr. Eckstrom said that a reset should take place when there is a payment.

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Board approved the Patriots Point Development Authority's revised proposal to pay \$500,000 in principal and \$304,082.88 in interest on or before June 1, 2015, and to extend the loan repayment term for 6 months of the interagency loan made to the Authority in June 2009.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

MUSC/Public Benefit Employee Authority, Employee Insurance Program: Update—MUSC's Patient Centered Medical Home (PCMH) Pilot (Regular Session Item #2)

The Board received an update on MUSC's Patient Centered Medical Home (PCMH) pilot.

Dr. Patrick Cawley with MUSC appeared before the Board on this matter to present the update. Dr. Cawley summarized the results of the pilot project for the Board. He said that the real results of the pilot are that after 2013 MUSC, with PEBA, has bent its cost curve. He noted that the pilot encouraged and incentivized patients to get into a patient centered medical home. He also noted that the second key piece to bending the cost curve is data. He said they received data from PEBA for the first time and that data was given to the physicians. He said the physicians were able to act based upon the data. He said that MUSC historically has had 10% higher cost than the rest of the State Health Plan and that has been lowered to 6.9%. Dr. Cawley stated that they hope to further bend the curve over the next several years.

Mr. Loftis stated he was pleased to see that MUSC has bent the curve on excess utilization and cost. He said that he would like to see the cost for normal utilization do the same. Dr. Cawley said this is the second year of the pilot project and he is confident they will continue to achieve savings and get below the average cost.

Mr. Eckstrom asked how excess utilization is defined. Dr. Cawley said a comparison is made between the 18,000 MUSC employees and dependents and the 350,000 state employees. He said the biggest driver of the excess utilization comes from having a younger workforce. He said younger women of child bearing age tend to have more children and more excess utilization. He said that another factor is that healthcare institutions have historically used more healthcare than non-healthcare institutions. He noted that this is the area where they have made an impact. Mr. Eckstrom noted that the higher utilization in healthcare institutions is probably related to ready access to quality healthcare services. Dr. Cawley said that people in healthcare institutions are more likely to access healthcare services early which over their life tends to be more expensive. He also noted that in healthcare institutions there is a tendency to use more healthcare pharmaceuticals than non-healthcare populations.

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In further discussion, Mr. Eckstrom asked Dr. Cawley if the experience that has been gained from the pilot program could transfer to the State Health Plan. Dr. Cawley responded that that is the intention. He said he thinks what they have learned could be translated in savings to the entire State Health Plan.

Information relating to this matter has been retained in these files and is identified as Exhibit 12.

Executive Budget Office: Airplane Acquisition (Regular Session Item 3)

Code Section 1-11-405 states that no aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Budget and Control Board and the Joint Bond Review Committee. Clemson University requested approval to purchase an aircraft to serve the needs of its Athletic Department.

Clemson Athletics currently owns and operates one aircraft, a 1998-model King Air C90-B airplane. Historically, Clemson has owned two aircraft for Athletic Department and university use. However, one of the aircraft, a 1977 Commander 690B, was sold in 2011 due to increasing maintenance needs and difficulty securing replacement parts. Since then, Clemson has been conducting business using only one aircraft supplemented by charter services. The demand for the existing aircraft is very high, and the unpredictable nature of recruiting schedules makes charter flights both difficult to schedule and expensive. The purchase of an additional aircraft would allow the department to be more cost-efficient for longer haul trips than the existing aircraft or charter options.

Clemson proposed the purchase of a 2006 or newer Citation CJ2+. This is a turbo fan jet aircraft that seats up to 8 passengers and flies at speeds significantly faster than the agency's existing aircraft. This aircraft will be more efficient for medium and long distance travel, has low operating costs compared to other aircraft, and will require only one additional staff pilot. These aircraft are also readily available in the used aircraft market.

The target cost of the aircraft is \$4.5 million. IPTAY has committed \$4.5 million for the purchase of the aircraft, and if the purchase price exceeds \$4.5 million the university has the opportunity to request additional funds from IPTAY. If IPTAY funds are not available for the

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entire purchase amount, athletic revenues will be used to make up the difference. As the plane will be used primarily for athletics, the athletics department will pay all operations and maintenance costs from athletic revenues. Annual fixed costs for pilot salaries, insurance and overhead are estimated at \$330,289 and annual direct costs per hour for fuel, maintenance and engine overhauls are estimated at \$379,126 annually.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board authorized Clemson University to purchase an airplane.

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

Executive Budget Office: Permanent Improvement Projects (Regular Session Item #4)

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the following permanent improvement project establishment requests and budget revisions except as otherwise noted herein.

Establish Project for A&E Design

- (a) Summary 6-2015: JBRC Item 1. Clemson University
Project: 9922, Football Operations Facility Construction
Funding Source: \$1,500,000 Other, Private Athletic Gift funds, which are gifts received from individuals, corporations and other entities that are to be expended for their restricted purposes.
Request: Establish project and budget for \$1,500,000 (Other, Private Athletic Gift funds) to begin design work to construct a football operations facility at Clemson. Football operations facilities are a major component of competitiveness in the conferences in which Clemson competes for student athletes. Currently, the majority of Clemson's facilities are located in the west end zone of Memorial Stadium, with some functions shared with other programs. The best practice is to have one operations center adjacent to the indoor and outdoor practice fields. The current facilities do not have exclusive training and rehabilitation space for football, co-located food services or a weight room comparable with other football facilities throughout the nation. As NCAA governance changes impact the staffing and programming provided to student athletes, more space will be needed to accommodate these changes. The project will include the construction of an approximately 157,000 square foot facility to house all football operation functions, including coaches' offices, team meeting rooms, student-athlete and coach locker rooms, a weight room, a training room, an equipment room and related spaces. It will be constructed near the indoor and

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outdoor football practice facilities and will serve 120 players, 10 coaches and 50 support staff.

- (b) Summary 6-2015: JBRC Item 2. Clemson University
Project: 9923, Electrical Distribution System Upgrades and Replacements
Funding Source: \$1,125,000 Other, Maintenance and Stewardship Funds, which are which are comprised of tuition, matriculation and other debt retirements and plant transfer revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period.
Request: Establish project and budget for \$1,125,000 (Other, Maintenance and Stewardship Funds) to begin design work to upgrade the main campus electrical distribution system at Clemson. A majority of Clemson's electric infrastructure was constructed in the 1950's and 1960's. More than 70% of the main substation gear and manual switching, transformers, electrical conductors and system protection equipment are beyond a 50 year life. These components are subject to failure and, because older systems do not have as many built in redundancies, the failure of a single piece of equipment has in multiple cases resulted in a power outage to the entire campus. This multi-year project will replace much of the electrical distribution system, creating a redundant loop feed system to eliminate single point system failures and adding automation capability to all switches. This will reduce outage durations and allow the new central operations location to monitor and control an automated distribution system. The remaining outdoor overhead infrastructure will be relocated underground. Additional metering and controls equipment will also be installed in some buildings. The project will also make modifications to the campus electrical system to improve system reliability in areas which have a higher probability of failure impacting major academic research and student life activities.
- (c) Summary 6-2015: JBRC Item 3. University of South Carolina - Beaufort
Project: 9516, Hilton Head Island Hospitality Management Facility Construction
Funding Source: \$367,500 Other, Private funds, which are gifts received from individuals, corporations and other entities that are to be expended for their restricted purposes.
Request: Establish project and budget for \$367,500 (Other, Private Funds) to begin design work to construct an academic facility to house the third and fourth year Hospitality Management Program at USC Beaufort. Currently, hospitality management courses are only taught at the USC Bluffton campus. The new 39,150 square foot facility will be located on Hilton Head Island and will include classrooms, a culinary lab, a library, offices and support spaces. It will also house the Osher Lifelong Learning Institute, which offers support for mature students and continuing education. The town of Hilton Head sees this program as a vital component of expanding their hospitality driven industries and the local industry has expressed an interest in expanding the available

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April 28, 2015 – Page 15

facilities for this program. The Town of Hilton Head, the Beaufort-Jasper Higher Education Commission and private donors have all made commitments to donate funding to assist with the construction of this facility. The facility will serve 200 students, 30 faculty and staff, and 1,600 clients annually.

(d) Summary 6-2015: JBRC Item 4. Budget and Control Board

Project: 9950, North Towers/DSS Building Window and Roof Replacements

Funding Source: \$22,275 Other, Depreciation Reserve funds, which are derived from the rent account which receives rent charged to state agencies for use of state buildings.

Request: Establish project and budget for \$22,275 (Other, Depreciation Reserve funds) to begin design work to replace the roof and windows on the North Tower building at the Department of Social Services in Columbia. The 133,818 square foot building is 42 years old and the roof and windows are both original to the building. It houses approximately 500 staff and serves 1,500 clients annually. The roof is experiencing leaks of increasing frequency and complexity and is in need of replacement. The windows are also experiencing frequent leaks. General Services had a feasibility study done by a building envelope consultant to study the various issues with the windows and the study recommended the windows be replaced. The scope of the project will include replacing the existing roof and coping, removing and replacing all existing windows, replacing sealant at precast concrete wall panel joints, power washing existing precast wall panels and replacing the penthouse wall panels.

(e) Summary 6-2015: JBRC Item 5. Budget and Control Board

Project: 9951, PEBA - Modification of Existing HVAC

Funding Source: \$34,250 Other, PEBA funds which are funds that PEBA is allowed to use for the administration of the agency from the SC Retirement System and Employee Insurance Program trust funds.

Request: Establish project and budget for \$34,250 (Other, PEBA funds) to begin design work to modify the HVAC system at the Gressette Collins Building in Columbia, which houses the Public Employee Benefits Authority (PEBA). The 65,500 square foot facility serves 203 staff. The existing 79 water source units, located in the building above the ceilings, are over 20 years old and in need of replacement. As these systems are all reaching the end of their useful life, General Services and the agency are looking at a comprehensive overhaul of the system to make it more efficient and to eliminate problems with the flow of water throughout the system and contaminants in the cooling water. These contaminants have impacted both the water source units and the two cooling towers installed in 2008. The scope of the project will involve modifications to the ceilings and ceiling lighting, as well as the installation of new piping and duct work throughout the building. The agency is exploring two potential solutions to the water flow issue. One would involve adding a heat exchanger and modifying piping to create a closed loop system while the other would

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involve replacing the two cooling towers installed in 2008. The solution to be used will be determined during pre-design.

- (f) Summary 6-2015: JBRC Item 6. Budget and Control Board
Project: 9952, PEBA - Carpet Replacement
Funding Source: \$6,094 Other, PEBA funds which are funds that PEBA is allowed to use for the administration of the agency from the SC Retirement System and Employee Insurance Program trust funds.
Request: Establish project and budget for \$6,094 (Other, PEBA funds) to begin design work to replace the carpet at the Gressette Collins Building in Columbia, which houses PEBA. The facility serves 203 staff. The existing carpet in the 65,500 square foot facility is 27 years old, is worn and is wrinkling in many places creating a trip hazard for employees. The new carpeting will have a rubber base to help prevent similar problems in the future. Approximately 62,302 square feet of carpet will be replaced in the project.
- (g) Summary 6-2015: JBRC Item 7. Vocational Rehabilitation Department
Project: 9608, Rehabilitation Engineering and ITTC Parking Lots and Road Repaving
Funding Source: \$10,000 Federal funds, which are general operating funds derived from the State Vocational Rehabilitation Services Grant to be used in the provision of vocational rehabilitation services.
Request: Establish project and budget for \$10,000 (Federal funds) to begin design work to repair and resurface parking lots and roadways at the Vocational Rehabilitation Department's State Office Complex in West Columbia. The existing parking lots and roadways are over 29 years old and are in need of repair and resurfacing. This project will include approximately 14,000 square yards of roadway and parking lot that serves seven buildings and approximately 200 vehicles weekly. During the pre-design phase, subsurface investigations and borings will be performed to determine the depth of the deterioration of the roadways and the amount of roadway to be repaired and resurfaced.
- (h) Summary 6-2015: JBRC Item 8. Department of Parks, Recreation and Tourism
Project: 9754, Hunting Island State Park Beach Restoration
Funding Source: \$105,000 Other, Park Revenue funds which are revenues generated by state parks through admissions, camping, retail sales and other miscellaneous sources.
Request: Establish project and budget for \$105,000 (Other, Park Revenue funds) to begin design work to renourish the beach at Hunting Island State Park in Beaufort County. The beach was last renourished in 2007 and six groins were installed in 2008. The project has performed as designed and has slowed erosion significantly. However, additional renourishment and groins are needed to maintain a safe high tide beach for park visitors. The park serves between 1 million and 2 million visitors annually and renourishment will

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impact approximately two miles of beach in the campground and day use areas and will install two new 400 foot groins. Pre-design work will include surveys, soil samples of underwater sediments and permit applications.

David Sims with the Department of Parks, Recreation, and Tourism appeared before the Board concerning item 4(h). Mr. Eckstrom asked about the beach renourishment cost needs that are under the purview of the Department. Mr. Sims said that \$7 million is anticipated for Hunting Island for this project and around \$2 million for Edisto Beach. He said that nothing is needed for Myrtle Beach. Mr. Eckstrom asked if Myrtle Beach replenishes itself. Mr. Sims said that Myrtle Beach is taken care of along with the city's renourishment.

Senator Leatherman commented that tourism is by far one of the largest contributors to the state fund. He said that anything that can be done to keep tourism coming to the State should be done. Mr. Eckstrom asked how many visitors come to Hunting Island each year. Mr. Sims said that it fluctuates, but the peak visitation is just under 2 million.

Establish Construction Budget

- (i) Summary 6-2015: JBRC Item 9. College of Charleston
Project: 9654, Rutledge Rivers Residence Hall Renovation
Funding Source: \$11,000,000, which includes \$8,000,000 Excess Debt Service funds, which are revenues generated by the Capital Improvement Fee that are in excess of the current debt service required for bonds, \$2,000,000 Housing Revenue funds, which are revenues generated by the Student Housing fee and paid only by students who reside in on-campus housing, and \$1,000,000 College Fee funds, which are generated by a portion of the student bill not specifically earmarked or dedicated for debt service, auxiliary enterprises, or student clubs and activities that have been put towards the Renovation Reserve.
Request: Increase budget to \$11,000,000 (add \$10,835,000 - \$8,000,000 Excess Debt Service, \$1,835,000 Other, Housing Revenue and \$1,000,000 Other, College Fee funds) to renovate the Rutledge Rivers Residence Hall at the College of Charleston. Rutledge Rivers is a 26,386 square foot residence hall that was vacated during the fall of 2013 following the discovery of moisture intrusion and leaking water pipes. The renovation will include repairs to address condensation problems and water pipe leaks, as well as the remediation of mold, mildew and asbestos containing materials. Portions of the interior of the facility will also be reconfigured to bring the facility into compliance with current ADA standards. Many of the existing mechanical, electrical and plumbing systems are original to the building, which is 41 years old. The

facility cannot be used by students until it is repaired, as previous repairs revealed asbestos containing materials that would create a potential airborne hazard to the building's occupants. Previous attempts at a less comprehensive repair and remediation effort met with limited success. A feasibility study conducted by an independent architectural and engineering firm recommended a comprehensive renovation in order to permanently resolve the facility's extensive health and safety concerns. The renovation will include demolishing all existing systems within the building and replacing them with an energy efficient HVAC system, a new plumbing system to include supply piping, waste piping and water efficient fixtures, a new electrical distribution system with energy efficient lighting fixtures and controls and a fire suppression system. The new equipment will be seismically restrained in accordance with code requirements and the interior of the facility will be reconfigured to meet current ADA standards. It will serve 107 residents and include 10 ADA compliant spaces. The renovation will be performed to Green Globes Two Globe certification. The project was approved for pre-design in June 2014, which is now complete. The agency reports the total projected cost of this project is \$11,000,000 with savings of \$4,500 annually as a result of this project. The agency also reports the projected date for the execution of the construction contract is May 2015 with completion of construction in May 2016.

- (j) Summary 6-2015: JBRC Item 10. College of Charleston
Project: 9656, Physical Plant Renovation
Funding Source: \$3,555,000 Other, College Fee funds, which are generated by a portion of the student bill not specifically earmarked or dedicated for debt service, auxiliary enterprises, or student clubs and activities that have been put towards the Renovation Reserve.
Request: Increase budget to \$3,555,000 (add \$3,502,000 Other, College Fee funds) to begin renovate the interior of the Physical Plant building, located at 133 Calhoun Street. The 122 year old 22,770 square foot building was purchased by the College 40 years ago. The renovations will address building and fire code deficiencies as well as ADA compliance issues. These renovations will include a new first floor, rear exits and stairs, a commercial fire sprinkler system and upgraded fire alarm system, new ADA bathrooms on the first floor and ADA access between the multi-level second floor spaces. The renovations will also create new office spaces within the existing footprint to allow the consolidation of the Physical Plant Department, which was newly expanded to include Residence Life facilities staff. In total, the facility will house 191 staff. The project was approved for pre-design in October 2014, which is now complete. The agency reports the total projected cost of this project is \$3,555,000 with no additional operating costs or savings as a result of this project. The agency also reports the projected date for the execution of the construction contract is October 2015 with completion of construction in

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October 2016.

- (k) Summary 6-2015: JBRC Item 11. College of Charleston
Project: 9659, 11 Glebe Street Renovation
Funding Source: \$1,100,000 Other, College Fee funds, which are generated by a portion of the student bill not specifically earmarked or dedicated for debt service, auxiliary enterprises, or student clubs and activities that have been put towards the Renovation Reserve.
Request: Increase budget to \$1,100,000 (add \$1,100,000 Other, College Fee funds) to renovate the historic house at 11 Glebe Street at the College of Charleston. The renovation will convert the 3,230 square foot building from student housing to academic support offices in an effort to better preserve the historic building and address E&G space shortages. Built in 1854, the building has significant structural and asbestos issues. The building is not currently on the College's IT network or fire alarm system, and as such network cabling and a fire sprinkler installation will need to be installed to support this building's use as an E&G facility. The renovation will slightly modify the interior layout to make it more functional as office space and to make the building ADA accessible. Building systems will also be replaced. The renovated facility will house the School of Language, Culture, and World Affairs Dean and six staff members. The Dean's Office serves as the central office to address the needs of students and faculty within the school. The renovated building will serve six staff and 6,500 students. The project was approved for pre-design in January 2015, which is now complete. The agency reports the total projected cost of this project is \$1,100,000 with no additional operating costs or savings as a result of this project. The agency also reports the projected date for the execution of the construction contract is September 2015 with completion of construction in March 2016.
- (l) Summary 6-2015: JBRC Item 13. Department of Motor Vehicles
Project: 9609, Orangeburg DMV Renovation
Funding Source: \$350,000 Other, DMV Miscellaneous Revenue funds, which are DMV operating revenues that have been set aside for capital improvements.
Request: Increase budget to \$350,000 (add \$345,125 Other, DMV Miscellaneous Revenue funds) to renovate the Orangeburg office of the Department of Motor Vehicles. The project will renovate the entire 2,500 square foot facility and will include data, telephone, and building renovations along with asbestos abatement. The renovations will increase the flow of customers through the office by increasing the number of customer service counters by 25% and creating a dedicated enclosed testing area for knowledge testing. The renovation will also address ADA deficiencies in the office area, create two new offices, replace the HVAC system and duct work, and upgrade the building electrical system. The current facility was built in 1975 and has not undergone significant renovation since that time. The office serves 19

employees and processes 92,000 transactions annually. The agency reports the total projected cost of this project is \$350,000 with operating savings of \$1,000 annually as a result of this project. The agency also reports the projected date for the execution of the construction contract is March 2015 with completion of construction in July 2016.

Increase Budget

- (m) Summary 6-2015: JBRC Item 14. John de la Howe School
Project: 9515, Cafeteria Roof and Plumbing Replacement
Funding Source: \$351,300 Other, EIA funds which are EIA revenues received by the agency for campus improvements.
Request: Increase budget to \$351,300 (add \$103,668 Other, EIA Funds) to repair the cafeteria roof at John De La Howe school and to replace plumbing throughout the facility. The project was initiated as a staff level project in February 2013 and increased in July 2014. The scope of the project includes the replacement and re-design of the existing 44 year old roof as well as replacing cast iron sewage piping below the concrete floors, which has collapsed in several locations making the restrooms unusable. It also includes the replacement of the rooftop air handler units and associated duct work. After the budget was increased in July, the Office of the State Engineer (OSE) worked with John de la Howe to prepare the project for bidding. OSE noted some concerns regarding the original A&E in regards to the plumbing improvements and the proposed roof changes. With guidance from OSE, John de la Howe had some additional detailed A&E work done. This detailed A&E work resulted in a scope change and a projected cost of \$247,632.47, including a 10% contingency. John de la Howe proceeded to put the project out for bid, with the air handler units bid as an option. When the project was bid, the lowest bid, with contingency, came in at \$351,300 due to the complexity and location of the project. The agency reports the total projected cost of this project is \$351,300, including the air handler units, with no additional operating costs or savings as a result of this project. The agency also reports the projected date for the execution of the construction contract is May 2015 with completion of construction in August 2015.

Establish Project for Preliminary Land Studies

- (n) Summary 6-2015: JBRC Item 16. University of South Carolina - Beaufort
Project: 9517, Hilton Head Island Hospitality Management Facility Land Acquisition
Funding Source: \$20,000 Other, Private funds, which are gifts received from individuals, corporations and other entities that are to be expended for their restricted purposes.
Request: Establish project and budget for \$20,000 (Other, Private Funds) to procure investigative studies required to adequately evaluate property on Hilton Head

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Island prior to purchase. The town of Hilton Head has offered to donate approximately nine acres of land near the intersection of Office Park Road and Pope Avenue to USC Beaufort to accommodate the construction of an academic facility to house the third and fourth year Hospitality Management Program. The town of Hilton Head and other local entities have also committed to donate funding to assist with the construction of the facility. The local community sees this program as a vital component of expanding their hospitality driven industries and local industry has expressed an interest in expanding the available facilities for this program.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

Procurement Services Division: Waiver to Extend the Maximum Time on a Multi-term Contract for the University of South Carolina (Regular Session Item #5)

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Board. The University of South Carolina asked the Division of Procurement Services to assist in seeking Board approval to authorize the University to solicit a contract for up to ten (10) years for Sports Marketing and Media Rights. University officials believe a contract term of ten years will provide a greater opportunity for returns on the investments made in the relationships and sponsorships that are forged by the contractor and attract greater upfront capital investments in sports facilities.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board, under authority of SC Consolidated Procurement Code Section 11-35-2030(4), approved the University of South Carolina's request for a multi-term contract for Sports Marketing and Media Rights and authorize the solicitation of proposals and award of a contract for up to ten (10) years.

Information relating to this matter has been retained in these files and is identified as Exhibit 15.

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The Citadel: Not Exceeding \$14,000,000 Aggregate Principal Amount Athletic Facilities Taxable Refunding Revenue Bonds of the Citadel, In One or More Series (Regular Item #6)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$14,000,000 Aggregate Principal Amount Athletic Facilities Taxable Refunding Revenue Bonds of the Citadel, In One or More Series.

The proceeds of the Series 2015 bonds will be used for refunding the Series 2010 Athletic Facilities Taxable Refunding Revenue Bond of The Citadel.

Mr. Eckstrom asked if all of the cost were in for the refunding because the costs seem to very low. Rick Harmon with the Treasurer's Office replied that this is good news. He stated that this is a bank placement and the bank is willing to negotiate a new rate.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board adopted a resolution making provision for the issuance and sale of not exceeding \$14,000,000 Aggregate Principal Amount Athletic Facilities Taxable Refunding Revenue Bonds of the Citadel, In One or more Series.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

Future Meeting

Upon a motion by Mr. Eckstrom, seconded by Mr. White, the Board agreed to meet at 10:00 a.m. on Tuesday, June 16, 2015, in Room 252, Edgar A Brown Building.

Adjournment

The meeting adjourned at 10:10 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room, near the Board Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 3:20 p.m. on Friday, April 24, 2015.]

**MINUTES OF MEETING OF EDUCATIONAL FACILITIES AUTHORITY FOR
PRIVATE NONPROFIT INSTITUTIONS OF HIGHER LEARNING**

April 28, 2015 -- 9:30 A.M.

The Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning (the Authority) met at 9:30 a.m. on Tuesday, April 28, 2015, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Nikki R. Haley, Chair;
Mr. Curtis M. Loftis, Jr., State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
Representative W. Brian White, Chairman, Ways and Means Committee.

Also attending were Budget and Control Board Executive Director Marcia Adams; Chief of Staff Paul Koch; Division Director Nolan Wiggins; General Counsel David Avant; Governor's Chief of Staff James Burns; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Budget Analyst Blythe Littlefield; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

Adoption of Agenda

Upon a motion by Senator Leatherman, seconded by Mr. White, the Authority adopted the agenda as proposed.

Spartanburg Methodist College: Amendment to Bond Purchase and Loan Agreement and Amendment to Bond (Regular Session Item#1)

The Authority was asked to amend the 2010 Bond Purchase and Loan Agreement and Bond at request of Spartanburg Methodist College and BB&T to adjust interest rate and put date.

Upon a motion by Mr. White, seconded by Senator Leatherman, the Authority adopted a resolution to amend 2010 Bond Purchase and Loan Agreement and Bond at request of Spartanburg Methodist College and BB&T to adjust interest rate and put date.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

Minutes of Educational Facilities Authority Meeting
April 28, 2015 -- Page 2

Adjournment

The meeting was adjourned at 9:40 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room, near the Authority Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 3:20 p.m. on Friday, April 24, 2015.]

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, June 16, 2015 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyances
4.	SC Energy Office	\$2.3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs- Economic Development Authority (JEDA) as Conduit Issuer
5.	Executive Director	Revenue Bonds

STATE BUDGET AND CONTROL BOARD
MEETING OF June 16, 2015

BLUE AGENDA
ITEM NUMBER 1

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues for bond counsel for which Board approval is requested:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$36,500,000 SC JEDA	CareAlliance Health Service d/b/a Roper St. Francis Healthcare	Haynsworth Sinkler Boyd	Howell Linkous & Nettles
\$12,000,000 SC JEDA	Campbell Young Leaders, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm
\$68,500,000 SC JEDA	Wofford College	Haynsworth Sinkler Boyd	Nexsen Pruet

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for June 16, 2015 Budget & Control Board Meeting
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$36,500,000 SC JEDA	CareAlliance Health Service d/b/a Roper St. Francis Healthcare	Haynsworth Sinkler Boyd	Howell Linkous & Nettles	05/12/15
\$12,000,000 SC JEDA	Campbell Young Leaders, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm	05/19/15
\$68,500,000 SC JEDA	Wofford College	Haynsworth Sinkler Boyd	Nexsen Pruet	05/19/15

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

AGENCY: Division of General Services

SUBJECT: Easements

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Dillon
- From: Budget and Control Board
- To: City of Dillon
- Consideration: \$700
- Description/Purpose: To grant a 0.015 acre easement for the relocation, installation, operation and maintenance of a 14" sewer force main beneath the Little Pee Dee River to accommodate SCDOT's US 301 Bridge Replacement Project. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (b) County Location: Charleston
- From: Medical University of South Carolina
- To: Commissioners of Public Works of the City of Charleston
- Consideration: \$5
- Description/Purpose: To grant a 0.0057 acre easement for the construction, installation, operation and maintenance of a water line, water meter and associated facilities on property of MUSC. The easement will be of mutual benefit to MUSC and Charleston Commissioners of Public Works.

BOARD ACTION REQUESTED:

Approve granting the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130; Exhibits (maps, plats, etc.) (a) City of Dillon (b) commissioners of Public Works of the City of Charleston

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 16, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
(b) Authorized Official Signature:


Nolan L. Wiggins, Jr., Director

2. Subject: EASEMENTS

3. Summary Background Information:

The Division of General Services requests approval of the following easement in accordance with SC Code of Laws:

- (a) County Location: Dillon
From: Budget and Control Board
To: City of Dillon
Consideration: \$700
Description/Purpose: To grant a 0.015 acre easement for the relocation, installation, operation and maintenance of a 14" sewer force main beneath the Little Pee Dee River to accommodate SCDOT's US 301 Bridge Replacement Project. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (b) County Location: Charleston
From: Medical University of South Carolina
To: Commissioners of Public Works of the City of Charleston
Consideration: \$5
Description/Purpose: To grant a 0.0057 acre easement for the construction, installation, operation and maintenance of a water line, water meter and associated facilities on property of MUSC. The easement will be of mutual benefit to MUSC and Charleston Commissioners of Public Works.

4. What is the Board asked to do? Approve the referenced easements.

5. What is recommendation of the Division of General Services? Recommend approval of the referenced easements.

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
 - (a) City of Dillon
 - (b) Commissioners of Public Works of the City of Charleston

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

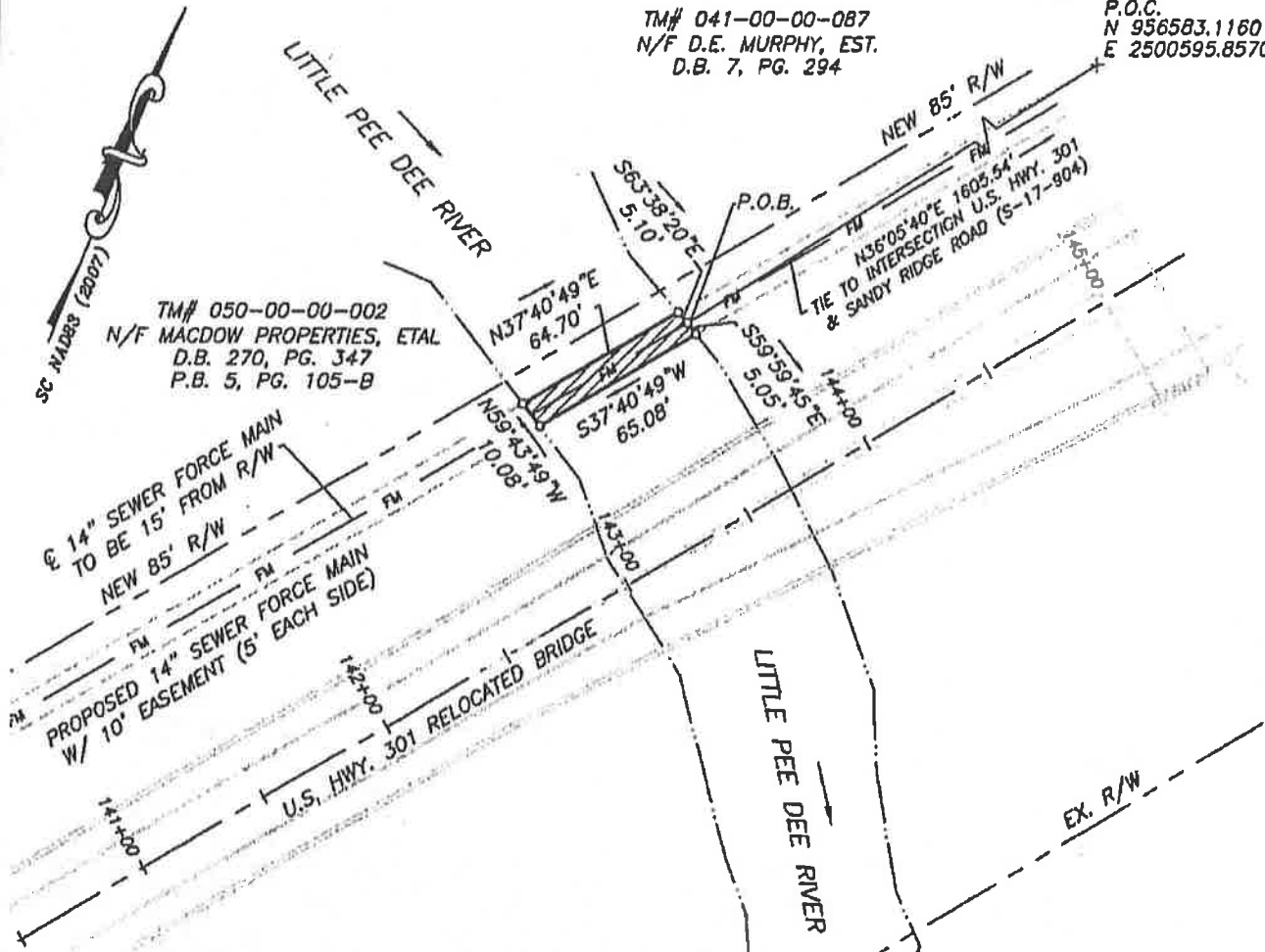
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N/F D.E. MURPHY, EST.
D.B. 7, PG. 294

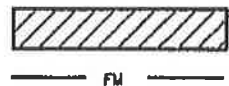
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N 956583.1160
E 2500595.8570

SC 144883 (2007)

TM# 050-00-00-002
N/F MACDOW PROPERTIES, ETAL
D.B. 270, PG. 347
P.B. 5, PG. 105-B



LINEAR FEET OF SEWER THROUGH PROPERTY = 65.05'
 AREA IN PERMANENT R/W = 649.71 SQ. FT., 0.015 AC.
 PROPOSED 14" SEWER FORCE MAIN



PREPARED FOR
 THE CITY OF DILLON
STATE OF SOUTH CAROLINA
LITTLE PEE DEE RIVER
 DILLON COUNTY
 STATE OF SOUTH CAROLINA
 MAY 5, 2015

JOB NO: 14278-S

I HEREBY STATE TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

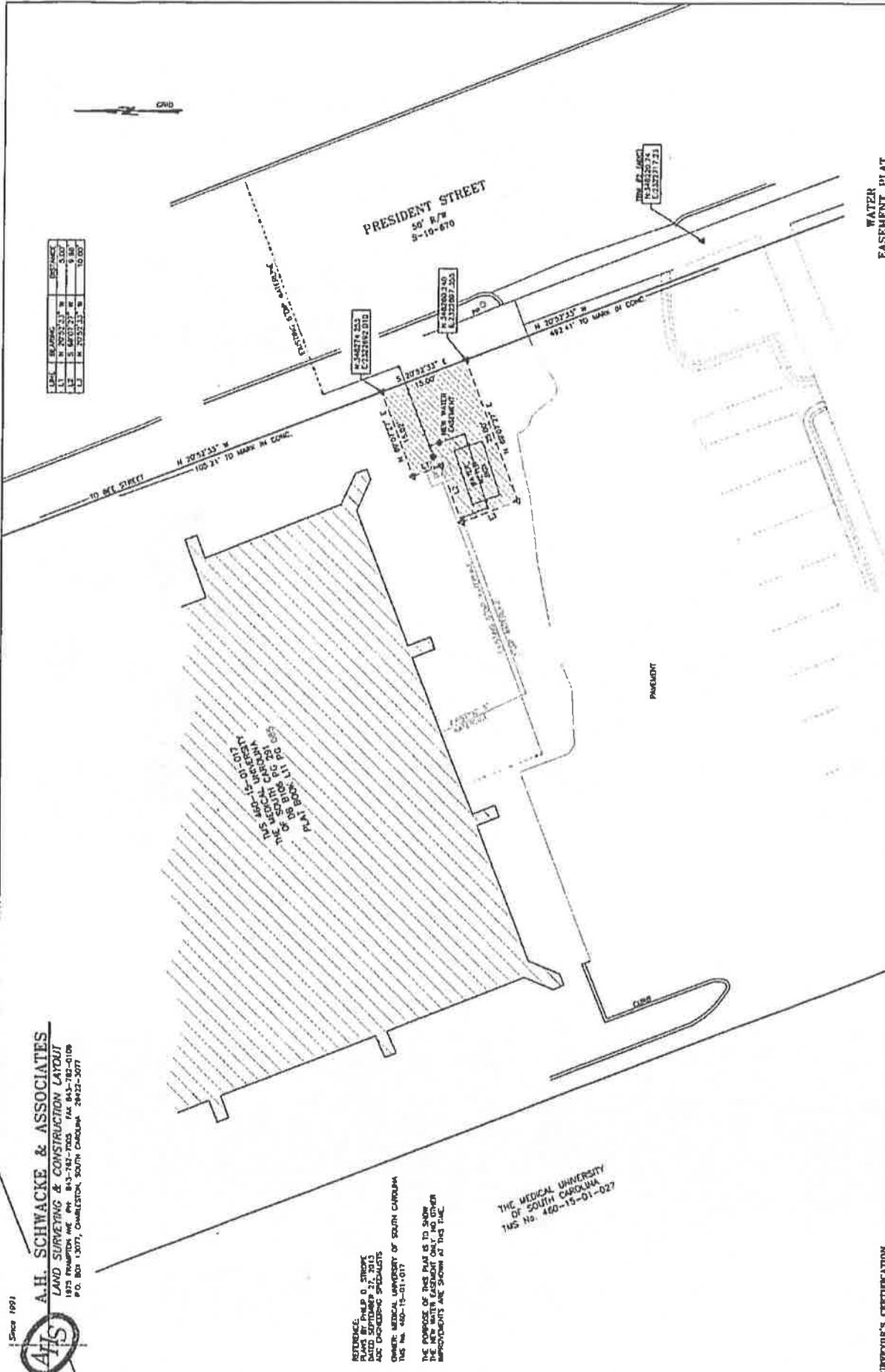


NESBITT SURVEYING CO., INC.
 4340 ALLIGATOR ROAD
 U.S. HIGHWAY 76 & ALLIGATOR ROAD
 TIMMONSVILLE, S.C. 29161
 PHONE (843) 346-3302
 FAX (843)-346-5802
 EMAIL: jon@nesbittsurveying.com



JONATHAN W. NESBITT
PLS NO 24770

LINE	BEARING	DISTANCE
1-2	N 20°15'53" W	3.00'
2-3	N 20°15'53" W	3.00'
3-4	N 20°15'53" W	10.00'



WATER
EASEMENT PLAT
MUSC #50001
CHP RESEARCH BUILDING
ADA RAMP-77 PRESIDENT ST.
LOCATED IN THE CITY OF CHARLESTON
CHARLESTON COUNTY SOUTH CAROLINA

DATE: NOVEMBER 25, 2014 SCALE: 1" = 10'
DATE: DECEMBER 9, 2014 (CFS COMMENTS)



Since 1991
A.H. SCHWACKE & ASSOCIATES
LAND SURVEYING & CONSTRUCTION LAYOUT
1873 TRAMPTON AVE. #104 843-782-7053 FAX 843-782-0109
P.O. BOX 13077, CHARLESTON, SOUTH CAROLINA 29422-3077

REFERENCE:
PLANS BY DWIGHT O. STROVE
DATED SEPTEMBER 27, 2013
AND DECEMBER 2014
OWNER: MEDICAL UNIVERSITY OF SOUTH CAROLINA
145 No. 460-15-01-017

THE PURPOSE OF THIS PLAT IS TO SHOW
THE NEW WATER EASEMENT ONLY AND OTHER
IMPROVEMENTS ARE SHOWN AT THIS TIME.

THE MEDICAL UNIVERSITY
OF SOUTH CAROLINA
145 No. 460-15-01-027

SURVEYOR'S CERTIFICATION

I hereby certify that to the best of my knowledge, information, and belief, the survey shown herein was made in accordance with the requirements of the State of South Carolina, and meets all the requirements for a Class A Survey as specified herein. All facts are to be made known to the public.

DATE: NOVEMBER 25, 2014
S.C. SURVEYOR NO. 14525

CERTIFICATIONS ARE NOT TRANSFERABLE TO ADDITIONAL ESTIMATIONS OR SUBSEQUENT OWNERS.
THIS PLAT IS TO BE CONSIDERED AND IS INCLUDED ONLY FOR THE EXACT OR PREVIOUSLY SHOWN AREA. THIS PLAT REPRESENTS A PLAT PAID ON THE CFS REGISTERED ONLY AND IS NOT THE RESULT OF A TITLE SEARCH.

AGENCY: Division of General Services

SUBJECT: Real Property Conveyances

The Division of General Services recommends approval of the following real property conveyances:

- (a) **Agency:** **Department of Education**
Acreage: 6± acres and a 7,624 square foot building
Location: 565 Country Club Road, Blackville
County: Barnwell
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be divided between Budget and Control Board and Department of Education pursuant to Proviso 101.23.
- (b) **Agency:** **Department of Education**
Acreage: 9.50± acres and a 6,500 square foot building
Location: 1734 Jonesville Highway, Union
County: Union
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be divided accordingly pursuant to applicable law, statute or proviso.
- (c) **Agency:** **Vocational Rehabilitation Department**
Acreage: 1.16± acres
Location: 3799 Old Easley Bridge Road, Greenville
County: Greenville
Purpose: To sell real property currently used for an access easement to the adjoining land owner, Robert A Vaughn.
Appraised Value: \$4,988 as of 2/3/2015
Price/Transferred To: \$5,388/ Robert A. Vaughn
Disposition of Proceeds: To be divided between Budget and Control Board and Vocational Rehabilitation Department pursuant to Proviso 101.23.
Additional Information: The Vocational Rehabilitation Department operates its Holmesview Center on approximately 18 acres in Greenville. This land has an easement along the western side of the property which gives the Vaughn's the only possible access to their property as the other sides are surrounded by the Saluda River. Mr. Vaughn desires to purchase the land on which the access easement lies for his continued use.

AGENCY: Division of General Services

SUBJECT: Real Property Conveyances

- (d) **Agency:** **Budget and Control Board (Adjutant General)**
Acreage: 15.85± acres and improvements
Location: US Highway 1, Cheraw
County: Chesterfield
Purpose: To transfer surplus National Guard Armory to a political subdivision pursuant to Joint Resolution R71, H3846.
Price/Transferred To: N/A / Town of Cheraw

BOARD ACTION REQUESTED:

Approve the real property conveyances as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

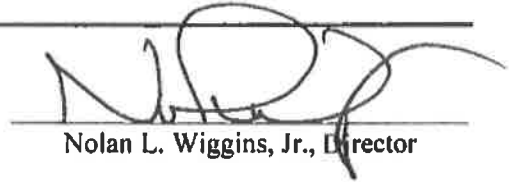
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 16, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Agency:** Department of Education
Acreage: 6± acres and a 7,624 square foot building
Location: 565 Country Club Road, Blackville
County: Barnwell
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be divided between Budget and Control Board and Department of Education pursuant to Proviso 101.23.

- (b) **Agency:** Department of Education
Acreage: 9.50± acres and a 6,500 square foot building
Location: 1734 Jonesville Highway, Union
County: Union
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be divided accordingly pursuant to applicable law, statute or proviso.

- (c) **Agency:** Vocational Rehabilitation Department
Acreage: 1.16± acres
Location: 3799 Old Easley Bridge Road, Greenville
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Purpose: To sell real property currently used for an access easement to the adjoining land owner, Robert A Vaughn.
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Price/Transferred To: \$5,388 / Robert A. Vaughn
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Additional Information: The Vocational Rehabilitation Department operates its Holmesview Center on approximately 18 acres in Greenville. This land has an easement along the western side of the property which gives the Vaughn's the only possible access to their property as the other sides are surrounded by the Saluda River. Mr. Vaughn desires to purchase the land on which the access easement lies for his continued use.

(d) **Agency:** Budget and Control Board (Adjutant General)
Acreage: 15.85± acres and improvements
Location: US Highway 1, Cheraw
County: Chesterfield
Purpose: To transfer surplus National Guard Armory to a political subdivision pursuant to Joint Resolution R71, H3846.
Price/Transferred To: N/A / Town of Cheraw

4. What is Board asked to do? Approve the property conveyances and transactions as requested.

5. What is recommendation of Board Division involved? Recommend approval of the property conveyances and transactions as requested.

6. List of Supporting Documents:

1. SC Code of Laws Section 1-11-65
2. 2014-2015 Appropriations Bill H.4701, Part 1B, Proviso 101.23
3. (a) Department of Education – Barnwell County
(b) Department of Education – Union County
(c) Vocational Rehabilitation Department – Greenville County
(d) Budget and Control Board (Adjutant General) – Chesterfield County

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

South Carolina General Assembly
120th Session, 2014-2015
H. 4701
General Appropriations Bill for fiscal year 2014-2015
As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 101 – F03-BUDGET AND CONTROL BOARD

101.23. (BCB: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Budget and Control Board for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Vocational Rehabilitation shall be authorized to retain the net proceeds from the sale of 3.205 acres located at 22861 Highway 76 East in Clinton, South Carolina to be used for capital projects and deferred maintenance.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, the Forestry Commission, and the Department of Vocational Rehabilitation shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

**(a - b) Department of Education
Barnwell, Clarendon and Union Counties**

List of Supporting Documents:

1. Letter from Department of Education dated May 13, 2015
2. Maps



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

June 5, 2015

Mr. Scott Capell, Program Manager
Real Property Services
SC Budget and Control Board
1200 Senate Street, Ste 400
Columbia, SC 29201

Dear Mr. Capell:

The South Carolina Department of Education is requesting permission for the South Carolina Budget and Control Board to dispose of two school bus shop properties. These properties are:

Blackville School Bus Shop
565 Country Club Road
Blackville SC 29817

Union School Bus Shop
1734 Jonesville Highway
Union SC 29379

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Molly M. Spearman".

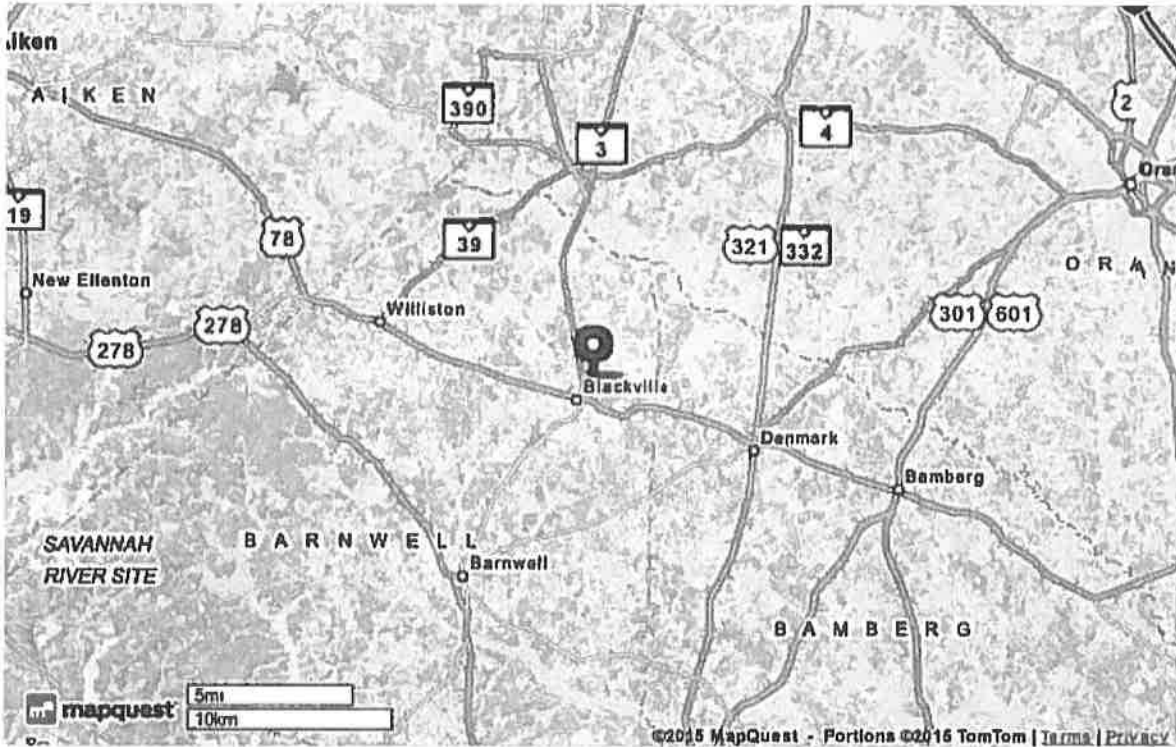
Molly M. Spearman
State Superintendent of Education



Map of:
565 Country Club Rd
Blackville, SC 29817-3055

Notes

BLACKVILLE SCHOOL BUS MAINTENANCE SHOP



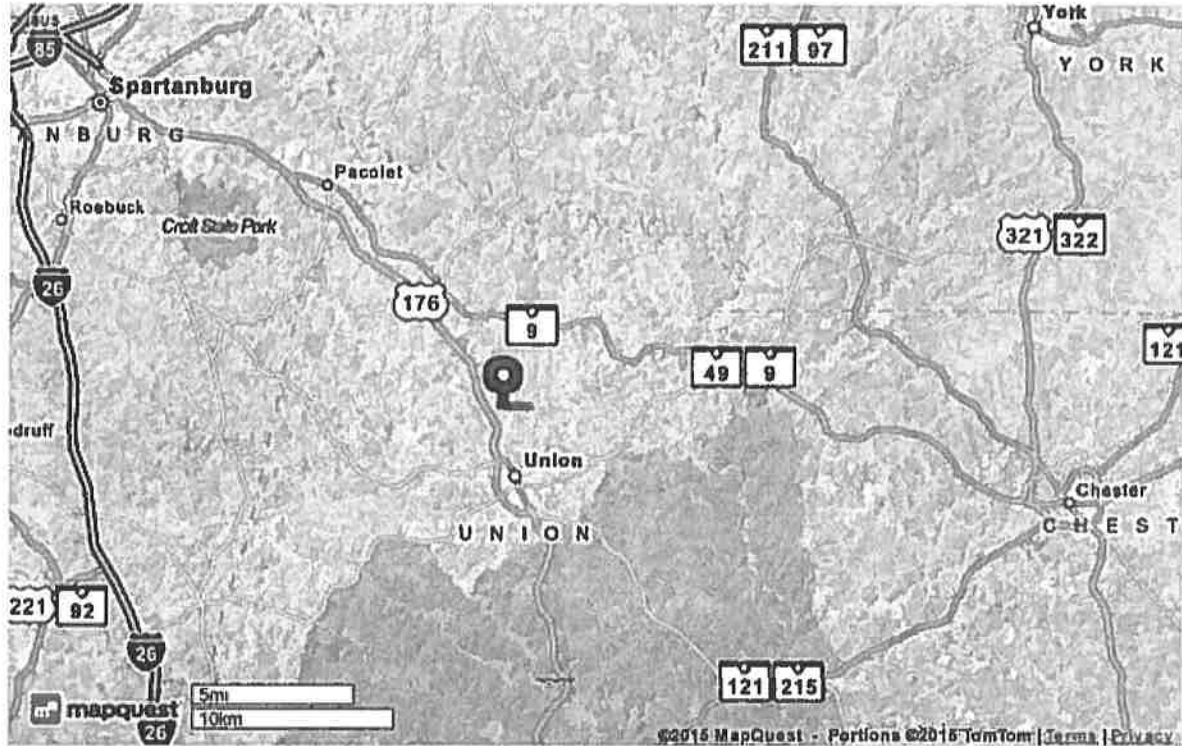
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Map of:
1734 Jonesville Hwy
Union, SC 29379-9792

Notes

UNION SCHOOL BUS MAINTENANCE SHOP



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**(c) Vocational Rehabilitation Department
Greenville County**

List of Supporting Documents:

1. Letter from Vocational Rehabilitation Department dated April 22, 2015
2. Map



South Carolina Vocational Rehabilitation Department

*Preparing and assisting eligible South Carolinians with disabilities
to achieve and maintain competitive employment*

Barbara G. Hollis, Commissioner

April 22, 2015

Ms. Linda M. Gordon
Real Property Services
Division of General Services
Wade Hampton Building, Suite 460
Columbia, South Carolina 29201

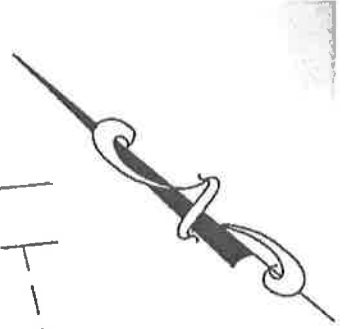
Dear Linda:

Vocational Rehabilitation has a 1.16 acre easement on 3799 Old Easley Bridge Road, Greenville, SC 29611 (Holmesview Center) that is granted to Mr. Allen Vaughn. This easement is a surplus to our needs and we would like to request the Board's approval to sell the easement land to Mr. Vaughn. Enclosed are the appraisal, survey, and a copy of the deed for the property.

Please let us know if any additional information is required.

Sincerely,

Richard G. Elam
Assistant Commissioner



OLD EASLEY BRIDGE ROAD
(R/W UNKNOWN)

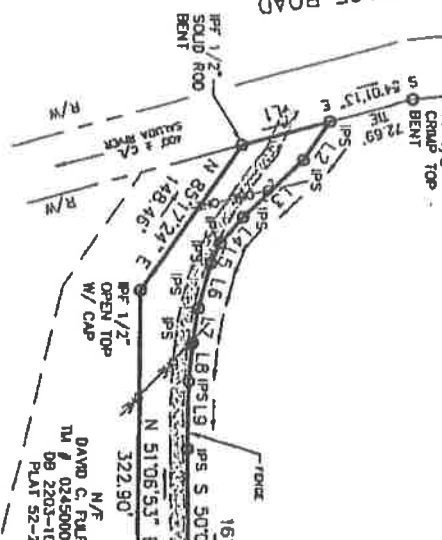
R/W

R/W

IPF 1/2" GROUP TOP
BENT
72.69' DE
54.91'13" E

R/W

R/W



N/F
SC VOCATIONAL REHABILITATION DEPARTMENT
TM # PART OF 0245000100100
DB 1507-872
PLAT 241-25

TM # PART OF 0245000100100
1.16 AC.
50,483 SQ. FT.

N/F
DAVID C. FULFELER II
TM # 0245000100100
DB 2203-1004
PLAT 52-26

N/F
DAVID C. FULFELER II
TM # 0245000100101
DB 2203-1004

726.75' DE
S 37°16'00" E

IPF 1/2" OPEN TOP

IPF 1" OPEN TOP

ROBERT
TM # 0
DB
PLAT

N/F
ROBERT V. VAUGHAN
TM # 0245000100107
DB 1725-535
PLAT 365-97

**(d) Budget and Control Board (Adjutant General)
Chesterfield County**

List of Supporting Documents:

1. Letter from Office of the Adjutant General dated May 29, 2015
2. Joint Resolution R71, H3846

The State of South Carolina
Military Department



Office of the Adjutant General

ROBERT E. LIVINGSTON, JR.
MAJOR GENERAL
THE ADJUTANT GENERAL

1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

May 29, 2015

Ms. Ashlie Lancaster
Deputy Director
SC Budget & Control Board
460 Wade Hampton Building
Columbia, South Carolina 29201

Dear Ms. Lancaster:

The Cheraw National Guard armory located at 1425 Covington Boulevard, Cheraw, South Carolina has been declared excess due to demographic changes and deferred maintenance costs. South Carolina Code of Laws, Article 13, Section 25-1-1660 provides the State Budget and Control Board with the authority to transfer these properties to a political subdivision if the political subdivision has donated real property for use as a site for a replacement armory.

However, in the case of the Cheraw National Guard armory, the National Guard does not foresee a future need for a replacement facility in this location, and requests that this property be transferred to the Town of Cheraw per the joint resolution approved by the General Assembly.

Points of contact for the Military Department are COL Andrew Batten or MSG Mark Hicks at (803) 299-4304/4150.

Sincerely,

A handwritten signature in black ink, appearing to read "R. E. Livingston, Jr." with a stylized flourish at the end.

Robert E. Livingston, Jr.
Major General, SCARNG
The Adjutant General

NOTE: THIS COPY IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL PUBLISHED IN THE ADVANCE SHEETS TO THE ACTS AND JOINT RESOLUTIONS. WHEN THIS DOCUMENT IS PUBLISHED IN THE ADVANCE SHEET, THIS NOTE WILL BE REMOVED.

(R71, H3846)

A JOINT RESOLUTION TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD, OR ITS SUCCESSOR STATE AGENCY, TO TRANSFER OWNERSHIP OF THE CHERAW NATIONAL GUARD ARMORY TO THE TOWN OF CHERAW.

Whereas, the National Guard Armory located in Cheraw, South Carolina, will be vacated by the South Carolina National Guard; and

Whereas, the Town of Cheraw will use the armory for the benefit of the community. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

Ownership of Cheraw National Guard Armory transferred to Town of Cheraw

SECTION 1. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board, or its successor state agency, is directed to transfer ownership of the Cheraw National Guard Armory located at U. S. Highway 1 and 52 South, Cheraw, South Carolina 29520, to the Town of Cheraw, South Carolina.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

AGENCY: SC Energy Office

SUBJECT: \$2.3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer

On May 2, 2011, the Budget and Control Board approved \$10M in Qualified Energy Conservation Bond [QECCB] volume cap allocation to Abundant Power Group, LLC/SC SAVES in connection with the implementation of qualifying green community programs in Charleston. On August 13, 2013, the Budget and Control approved a scope modification to allow use of the allocation authority statewide. Abundant Power Group, LLC/SC SAVES has now exhausted all but \$2.7M of the original allocation authority and is requesting an additional \$2.3M in QECCB volume cap allocation in connection with the implementation of qualifying green community programs, including an energy performance contract in Sumter County and CNG tractors for Randolph Trucking in Dorchester County. The total estimated cost for both projects is \$5M. SC Saves will utilize \$2.7M of its current allocation authority and the additional \$2.3M requested to fund the projects and is amending its current bond resolution with JEDA to reflect such.

The Sumter County project consists of a performance contract encompassing energy efficiency measures on ten county buildings in the form of HVAC system upgrades and controls, envelope improvements, LED lighting retrofits, and water conservation, and the Dorchester County project involves the purchase of four CNG tractors for use by Randolph Trucking. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 84 direct jobs from the capital investment and approximately 10 indirect jobs based on expected energy savings of 6,000 MWhs annually.

In July 2012, the Internal Revenue Service guidelines for the use of QECCBs broadened the range of programs which qualify under the Green Community Programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades.

AGENCY: SC Energy Office

SUBJECT: \$2.3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer

The QECB allocation authority request was approved by the SC ARRA Volume CAP Advisory Committee on May 12, 2015, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

BOARD ACTION REQUESTED:

Approve the proposed additional \$2.3M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer. with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

ATTACHMENTS:

Agenda item worksheet; QECB Information Sheet; Abundant Power Group, LLC/SC SAVES Application for QECB Reallocation

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 16, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: SC Energy Office
- (b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: \$2.3M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer.

3. Summary Background Information:

On May 2, 2011, the Budget and Control Board approved \$10M in Qualified Energy Conservation Bond [QECCB] volume cap allocation to Abundant Power Group, LLC/SC SAVES in connection with the implementation of qualifying green community programs in Charleston. On August 13, 2013, the Budget and Control approved a scope modification to allow use of the allocation authority statewide. Abundant Power Group, LLC/SC SAVES has now exhausted all but \$2.7M of the original allocation authority and is requesting an additional \$2.3M in QECCB volume cap allocation in connection with the implementation of qualifying green community programs, including an energy performance contract in Sumter County and CNG tractors for Randolph Trucking in Dorchester County. The total estimated cost for both projects is \$5M. SC Saves will utilize \$2.7M of its current allocation authority and the additional \$2.3M requested to fund the projects and is amending its current bond resolution with JEDA to reflect such.

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In July 2012, the Internal Revenue Service guidelines for the use of QECCBs broadened the range of programs which qualify under the Green Community Programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public.' Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades.

The QECB allocation authority request was approved by the SC ARRA Volume CAP Advisory Committee on May 12, 2015, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

4. What is the Board asked to do? Approve the proposed additional \$2.3M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer. with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

5. What is recommendation of the Division of General Services? Recommend approval of the proposed additional \$2.3M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer. with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

6. List of Supporting Documents:

- QECB Information Sheet
- Abundant Power Group, LLC/SC SAVES Application for QECB Reallocation

Qualified Energy Conservation Bonds

The *Energy Improvement and Extension Act of 2008*, enacted in October 2008, authorized the issuance of Qualified Energy Conservation Bonds (QECBs) that may be used by state, local and tribal governments to finance certain types of energy projects. QECBs are qualified tax credit bonds. The October 2008 enabling legislation set a limit of \$800 million on the volume of energy conservation tax credit bonds that may be issued by state and local governments. *The American Recovery and Reinvestment Act of 2009*, enacted in February 2009, expanded the allowable bond volume to \$3.2 billion. QECBs are not subject to a U.S. Department of Treasury application and approval process. Bond volume is instead allocated to each state based on the state's percentage of the U.S. population as of July 1, 2008. Each state is then required to allocate a portion of its allocation to "large local governments" within the state based on the local government's percentage of the state's population. Large local governments are defined as municipalities and counties with populations of 100,000 or more. Large local governments may reallocate their designated portion back to the state if they choose to do so.

To develop a method for issuing allocation authority and processing reallocation requests for QECBs and other Recovery Act bonds, the General Assembly passed the South Carolina Volume Cap Reallocation Act of 2010. From this Act, a Volume Cap Advisory Committee was created which undertook a process of determining which communities were going to utilize their QECB and other bond allocations and developed a plan at the state level to reallocate unused state level authority. The Energy Office also developed an application for QECB reallocation requests.

The total state allocation included \$46,475,000 in bond authority - \$34,005,212.62 was designated for cities and counties with populations over 100,000 and \$12,469,787.38 was the balance of state. Currently local waivers have been received in the amount of \$25,126,034.53 for a total of \$37,595,821.91 in state level bond authority. This amount less the previously approved reallocation requests for \$34,500,000 delineated below leaves a balance of \$3,095,821.91 in bond authority available for reallocation. None of the approved reallocations are for private activity bonds.

Requestor	Amount	Project Description	Financing Mechanism
City of Greenville	\$4,000,000	Performance contract with Ameresco for municipal building energy efficiency retrofits	City of Greenville
JEDA/Abundant Power	\$10,000,000	Bonds to fund SC SAVES green community financing program for projects statewide	JEDA
City of Columbia	\$2,500,000	Columbia Housing Authority residential EE retrofits	Bank loan
JEDA/Abundant Power	\$15,000,000	Bonds to fund net-zero school in Denmark-Olar School District 2 of Bamberg County through SC SAVES	JEDA
JEDA/Abundant Power	3,000,000	Bonds to fund energy efficiency upgrades at Ascend Performance Materials in Greenwood	JEDA
TOTAL	\$34,500,000		

**Qualified Energy Conservation Bonds
Allocation Application
South Carolina Energy Office
408 Wade Hampton Building
1200 Senate Street
Columbia, South Carolina 29201
Phone (803) 737-8030/ Fax (803) 737-9846**

I. Applicant Information:

Please print or type clearly.

Name of Institution: South Carolina SAVES Inc. and Abundant Power Group
LLC (collectively the "Applicant")

Street Address: 2201 South Blvd, Suite 300
Charlotte, NC 28203

Mailing Address: Same

Federal Tax ID#: SSC: 46-5416690 APG:26-4092146

Contact Person: W. Gregory Montgomery

Telephone #: 704-271-9889

Signatory Official: W. Gregory Montgomery

Position: Managing Member

Telephone #: 704-271-9889

Fax #: 704-271-9889

II. Type of Institution:

Please mark appropriate description:

Public School District: _____

County / City: _____

Municipality: _____

State Agency: _____

501(c)(3) Corporation: _____

Other: Specify

SCS is a South Carolina non-profit corporation;
APG is a North Carolina limited liability company

III. Bond Purpose (Type of Project):

Description of Project: (Attach additional pages as needed. Refer to 26 USC § 54D for eligible measures) To provide another \$2.3M in QECB reallocation to expand the funding capabilities of the statewide South Carolina SAVES Green Community Program (the "SC SAVES Program"), which is a green community program and thus a qualified conservation purpose under section 54D(f)(1)(A)(ii) of the Internal Revenue Code. See Exhibit A - Overview of the SC SAVES Green Community Program. The expanded funding will be used for the Sumter County project and Randolph II project.
Project Estimated Start Date: Start using the additional funding Q2 2015
Project Estimated Completion Date: Finish using the additional funding Q4 2015
Estimated Number of Jobs Created: 94 (see Exhibit B attached)

IV. Location of Project:

Name of Building(s): Qualified conservation purposes, including energy efficiency, renewable energy and alternative fuel projects throughout the State of South Carolina (the "Qualified Projects"). Specifically with regard to the Sumter County project, Sumter County, and the Randolph II project, Dorchester County.
Building Ownership:
Address:
County of Improvements: Counties throughout the State of South Carolina, where the Qualified Projects are located.

V. Technical Analysis (Name of person or firm who completed either):

Energy Audit: Energy assessments on a per project basis.
Or
Architect/Engineer design: Derek McGarry, Abundant Power

VI. Project Cost Summary:

<u>Type of Energy Measures</u>	<u>Estimated Cost</u>	<u>Projected Annual Savings</u>
See Exhibit C attached.		

Total Project Cost: \$5,000,000 **Total Savings:** See Exhibit C attached

Bond Issuer: SC Jobs Economic Development Authority

Bond Counsel: McGuire Woods LP

Financing Mechanism: Private placement

VII. Allocation Information:

Requested Allocation Amount: \$2,300,000
Percentage Private Activity Bonds: 0% based on use of Green Community Program.

VIII. Accompanying Documents & Signature(s):

Note: The documents noted below must be submitted and approved prior to allocation approval. Each of the following to be provided on a per project

1. **Copy of Technical Analysis** basis for Qualified Projects funded
2. **Current Financial Statement** through the SC SAVES Program.
3. **Financial Summaries For Last 3 years**
4. **In addition, successful projects may be required to certify compliance with Davis-Bacon, Buy American, and NEPA as appropriate.**

Applicant's Signatory Official or Chief Financial Officer:

Name: W. Gregory Montgomery

Title: Managing Member

Signature: *W. Gregory Montgomery*

Date: May 1, 2015





**ABUNDANT
POWER**

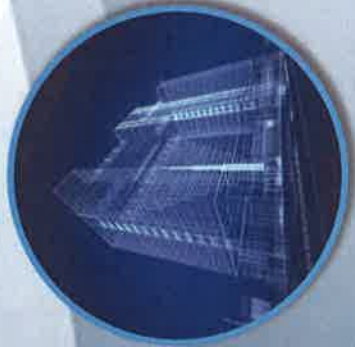


Energy Efficiency Made Simple

South Carolina SAVES Green Community Loan Program



CLEAN SOURCE



Technology Optimization | Financial Solutions | Performance-Based Services

WHO WE ARE



Energy Management
Technology



Financial Solutions
and Underwriting



Building Science and
Engineering

Abundant Power is an energy management services company focused on providing transformative financial and technology solutions for the built environment ecosystem.

CleanSource Capital is an affiliate established to provide design and administration of proprietary funds dedicated to energy efficiency financing.



CLEAN SOURCE

WHO WE ARE: LEADERSHIP TEAM



Great People | Right Skills | Deep Experience



Shannon Smith
CEO

- Founder of Abundant Power
- More than 20 years of investment and project finance experience.
- BA from Wheaton College & MBA from UVA
- Boards of EDF, NCSEA, AEE



Greg Montgomery
Managing Director

- Broad financial expertise : 25 years in investment banking and law.
- Licensed attorney, registered securities representative.
- JD/MBA from Tulane University & BA in Environmental Sciences from UVA



Derek McGarry
Chief Engineer

- More than 12 years of HVAC engineering, retro-commissioning and energy efficiency retrofit experience.
- BS in Cornell University in Mechanical Engineering.
- LEED Accredited Professional.



Trey Davis
Director of Analytics Engineering

- Extensive systems engineering background
- Adept user of Metrix software, able to conduct highly sophisticated analytics and tracking of energy performance.
- BA from Wake Forest University and BS from UNC Charlotte in Systems Engineering.

AP designs and manages energy efficiency financing programs nationwide, enabling more than \$350 million in energy efficiency implementation.

ALABAMA SAVES™
Sustainable and Verifiable Energy Savings

alabama wise®
Strategic Investments
Save Energy

ST. LOUIS COUNTY SAVES™
Sustainable and Verifiable Energy Savings

SOUTH CAROLINA SAVES™
Sustainable and Verifiable Energy Savings

DC
PACE COMMERCIAL
an energy finance solution

EPX™
ENERGY PERFORMANCE
COMMISSIONING

Leveraged Revolving Loan Fund (RLF)

- Alabama SAVES™ – \$65MM Med/Large C&I, Non-profits
- Alabama WISE™ – Pilot program for residential retrofits

Qualified Energy Conservation Bonds (QECB's)

- St. Louis County SAVES™ – \$10.3MM Residential, C&I, Non-profits
- South Carolina SAVES™ – \$30MM Government, C&I, Non-profits
- NC Ag Finance Authority - \$20MM Renewable Energy

Property Assessed Clean Energy (PACE)

- DC Green Forward – \$250MM C&I

Energy Management Services Agreements (EMSA)

- EPX™ – 12 million SF Small/Med Commercial



CLEAN SOURCE

SAVES PLATFORM OVERVIEW



- SAVES™ (Sustainable and Verifiable Energy Savings)** is Abundant Power's proprietary, core energy financing platform for designing and administering programs:
- Credit and financial underwriting standards incorporating multiple security instruments and repayment mechanisms.
 - Established origination and servicing standards designed to create transparency and meet requirements of secondary markets.
 - Energy underwriting protocols, including prescriptive and performance options to maximize energy savings and optimize cash flows.
 - Energy measurement and verification, including QA/QC protocols, as well as contractor and auditor standards and monitoring and overall process management.

CleanSource is the affiliate Abundant has established to expand the SAVES program into other jurisdictions using Qualified Energy Conservation Bonds as the funding mechanism.

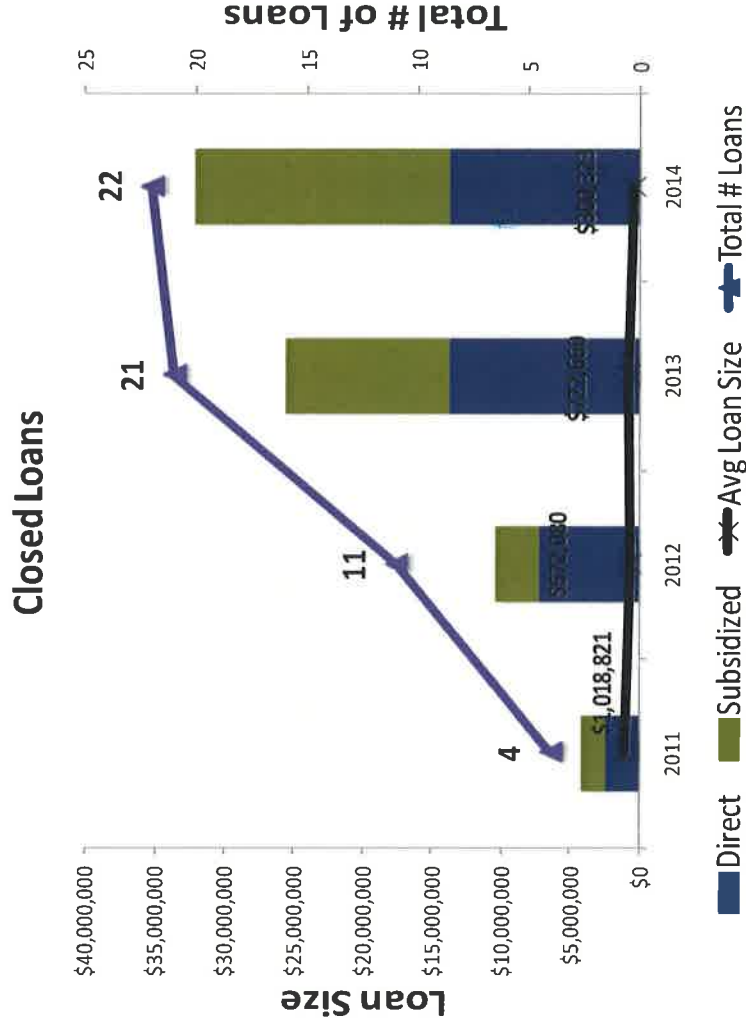
- Of the \$3.2B authorized nationally, the 13 Southeastern/Gulf states alone have \$900MM in QECB allocations remaining unused as of end of 2013.



ADECA – Energy Division of Alabama – Program Sponsor
Abundant Power – Program Administrator and Primary Originator

Enabling Alabama businesses to achieve operational savings through energy efficiency

- \$65M revolving loan fund based on \$25M SEP grant
- Secure financing as low as 2% for direct funding and 1% for subsidized
- Industrial, commercial, and non-profit
- Purchase and install energy efficiency equipment, renewable-energy systems and alternative fuel projects
 - 10 year or better simple payback or “above and beyond” building code
- Loan Size: \$50,000-\$4,000,000
- Trend has been towards subsidized lending and smaller transaction sizes



ALABAMASAVES™ RESULTS



Key elements of success for the Program to date:

ALABAMASAVES™
Sustainable and Verifiable Energy Savings

- Funding commitments for 64 agricultural, commercial and industrial loans totaling \$40.7M
- Average loan size of \$641k
- Energy efficiency in 132 commercial and industrial buildings representing 11.3M SF
- Private capital participation for 51 loans, resulting in 5:1 leverage of Program funds
- Diverse project finance across all geographic areas of the state and all commercial sectors
- Energy conservation measures financed – lighting, mechanical, industrial processes, solar
- Estimated annual savings of 72M kWh = 79M lbs of coal avoided = reduction of 130,600 metric tons of CO2 = 14,790 cars off the road
- Superior asset performance with no defaults to date
- Transparent and consistent Program processes and structured Program governance



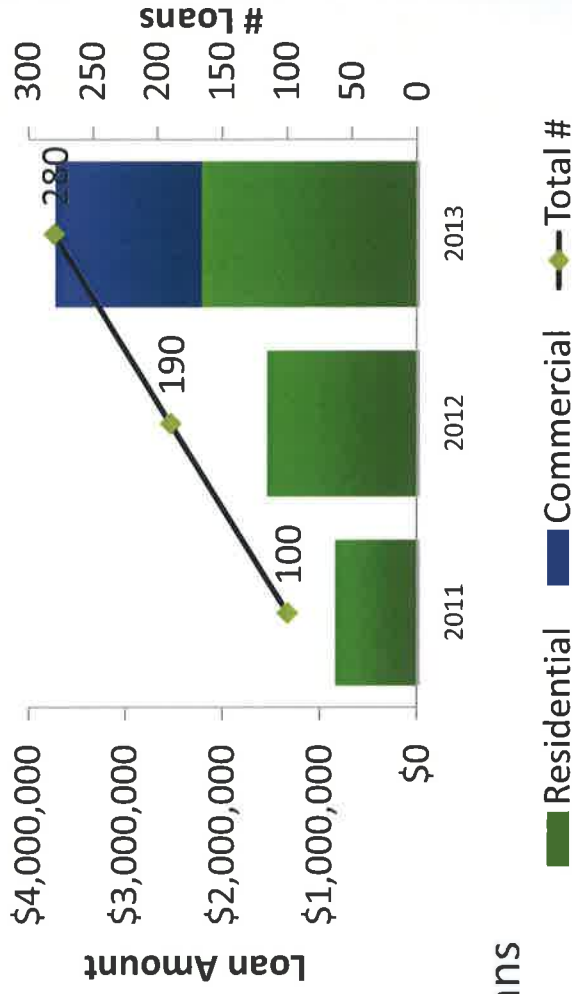
CLEAN SOURCE

ST. LOUIS COUNTY SAVES™ PROGRAM



- \$10.4 million financed through a QECB issued by St. Louis County in May 2011
- Initial design to provide low rate financing for qualified home owners for eligible home energy improvements.
 - Eligibility Requirements:
 - FICO score \geq 660; DTI $<$ 45%
 - Loan Amounts: \$2,500-\$15,000
 - Term: Flexible up to 10 years
 - Rate: 3.5%, 3.0% origination fee
- Program expanded in 2013 to include:
 - Commercial and Industrial
 - Loan Amounts: \$50,000-250,000
- Program put on hold in April 2014
 - Inability to deploy capital as resi loans
 - Winding down portfolio
 - All loans performing

Cumulative Loan Amount



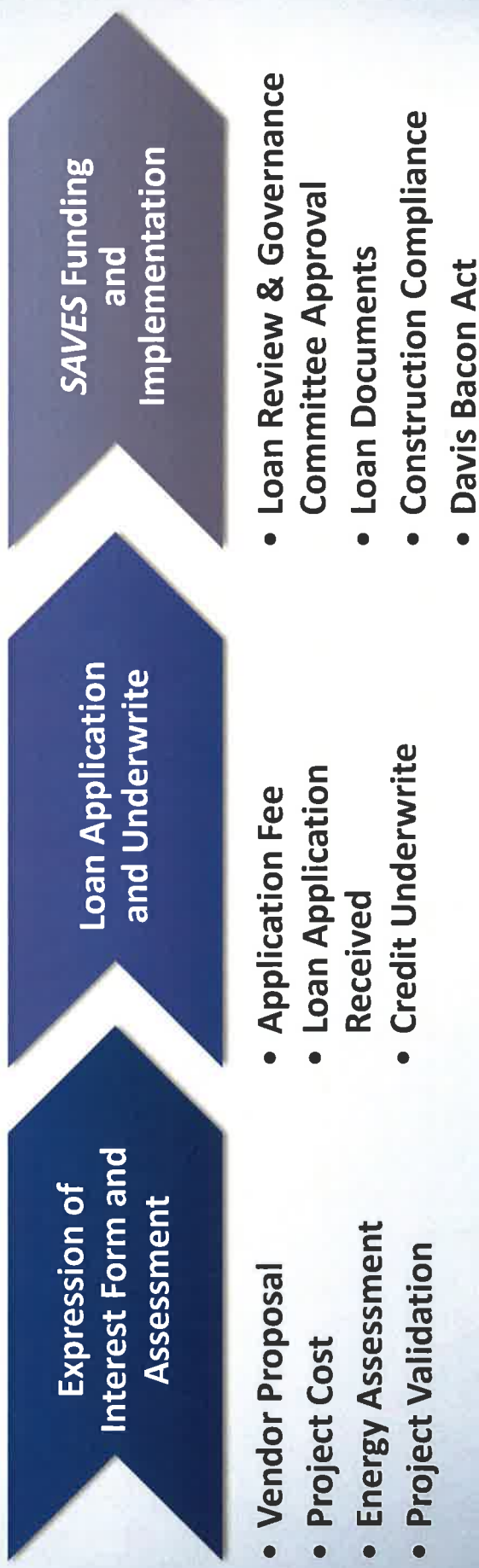
The first use of QECBs to fund “Green Community Program” for energy efficiency RLF

- **NC Agricultural Finance Authority Green Community Program** (the “Program”) has been established to finance renewable energy projects on agricultural land across North Carolina
- **NC Ag Authority to serve as conduit issuer**, with QECBs to be sold through private placement to third-party financial institutions to fund the Program.
 - QECBs issued on a project-by-project basis so that each project is effectively underwritten and approved at time of funding by the third-party lender (would not be a “blind pool”) and not dependent on state or local government credit.
- **NC Tax Reform Allocation Committee currently has \$20+MM in QECBs** to be applied for use in funding qualified projects accepted by the Program. Targeting first close in July of 2015.
- **Program Requirements include:**
 - Qualified Conservation Purpose broadly defined – includes renewable energy projects
 - Agricultural nexus - such as leasing the agricultural land or having agricultural production in association with the project.
- **Program broadly available across the State:**
 - Application process for submitting projects for consideration
- **CleanSource has been hired as the Program administrator** to market, originate, diligence, fund, close and service projects funded through the Program

PROCESS FOR SAVES UNDERWRITING



Process in place to stream line loans from origination, through underwriting, to closing and funding.



SAVES ORIGINATION MODEL



Existing relationships in right channels for originating a robust pipeline

Contractors

Utilities

NGO's

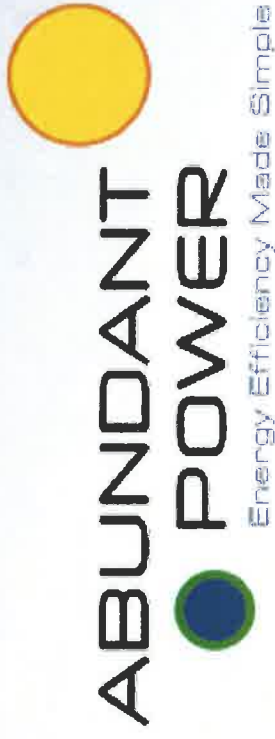
Governmental
Agencies

Vendors

Engineers

Associations

Economic
Development
Authorities



SC SAVES GREEN COMMUNITY LOAN PROGRAM



- June 2012 IRS Notice clarified what constitutes a “green community program” within the scope would for using a QECB
- Based on the notice, Abundant and bond counsel interpret the guidance to allow for statewide “green community programs” so long as:
 - The program’s purpose is tied to policy at the statewide level – governmental or utility sponsored – that supports energy efficiency and energy savings.
 - The program benefits buildings generally available to the public (i.e. governmental and institutional) and/or is generally available to the public (individuals and business) within the program’s guidelines (i.e. credit underwriting standards).

Interpretation allows for use of state level QECB allocations for state GCPs

SC SAVES OVERVIEW



- **South Carolina SAVES Green Community Loan Program** (the “Program”) uses proceeds from QECB funding to afford low interest rate financing of energy efficiency projects at governmental, institutional and select commercial/industrial buildings throughout the state of South Carolina.
 - In furtherance of policy supported by SC Energy Efficiency Act and the SC Energy Office’s State Energy Plan.
- **\$30 million Reallocation of QECBs** from SC Energy Office to SC Jobs-Economic Development Authority (“SC JEDA”) as conduit issuer, with QECBs issued to fund Program.
- **Abundant Power as Program Administrator** (the “Administrator”)
- **Interest Rate Subsidy** for loans in the form of amortizing senior debt or capital leases with durations up to 15 years.
 - Subsidization of loans of between \$500,000 and \$5 million (with larger amounts in Administrator’s discretion).
 - Effective interest rate after QECB subsidy and program administration costs – projected to be 0.0% to 2.0% for governmental issues and 2.0% to 4.0% for private issues, depending upon the credit quality of the ultimate borrower and credit subsidy rate at time of funding.



SC SAVES OVERVIEW (CONT.)



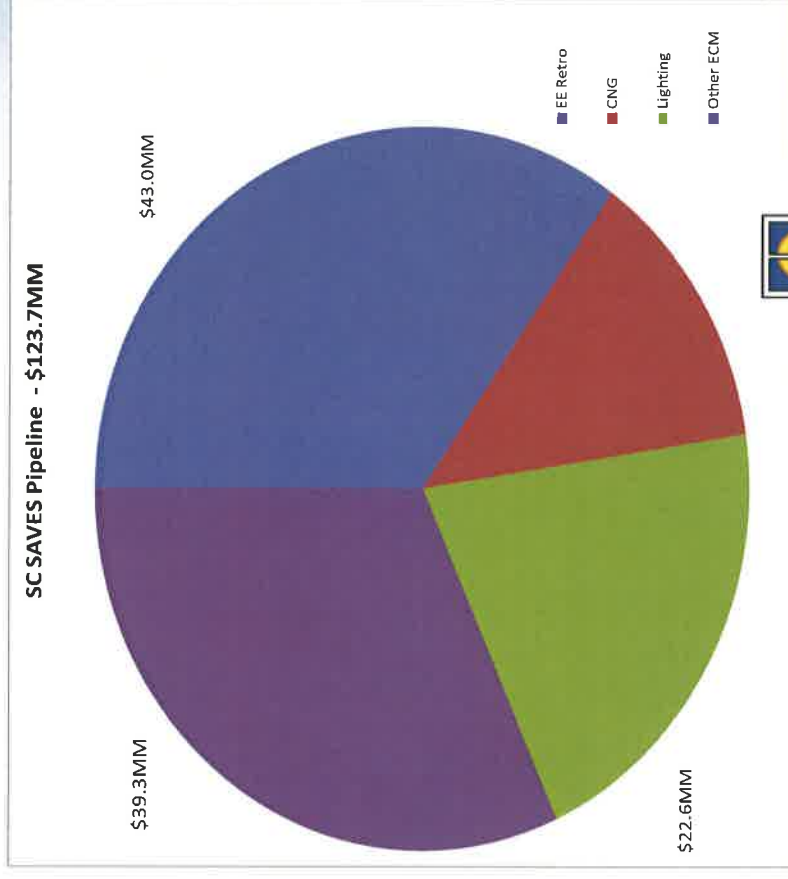
- **Eligible Properties:**
 - Governmental – Public properties owned by state agencies, counties, municipalities, school districts
 - Institutional – Properties owned by universities, hospitals, non-profits
 - Commercial/Industrial – Select borrowers with strong credit
- **Eligible Improvements:**
 - Energy efficiency measures with a payback of 15 years or less using proven, commercial technologies with strong vendor warranties (e.g. s: lighting and control upgrades; HVAC maintenance/replacement; chiller/boiler upfits; insulation; retro-commissioning; select distributed renewables generation)
 - Alternative fuel conversions of facilities or fleets from diesel or gasoline to propane or natural gas and refueling infrastructure
- **Contractors:** Program will work with select energy savings contractors with demonstrated experience in energy efficiency contracting.
 - Depending upon project, Program may require Energy Performance Savings Guarantee or Third-Party Energy Savings Warranty on certain Eligible Improvements.



- South Carolina SAVES Green Community Program is first state wide GCP in the country – launched at beginning of 2014.
- Funded two transactions to date
 - Randolph I: \$2.05MM - 10 CNG trucks
 - Anderson School District 3: \$5.23MM - EPC project

• Pipeline of \$123.7MM originated since inception

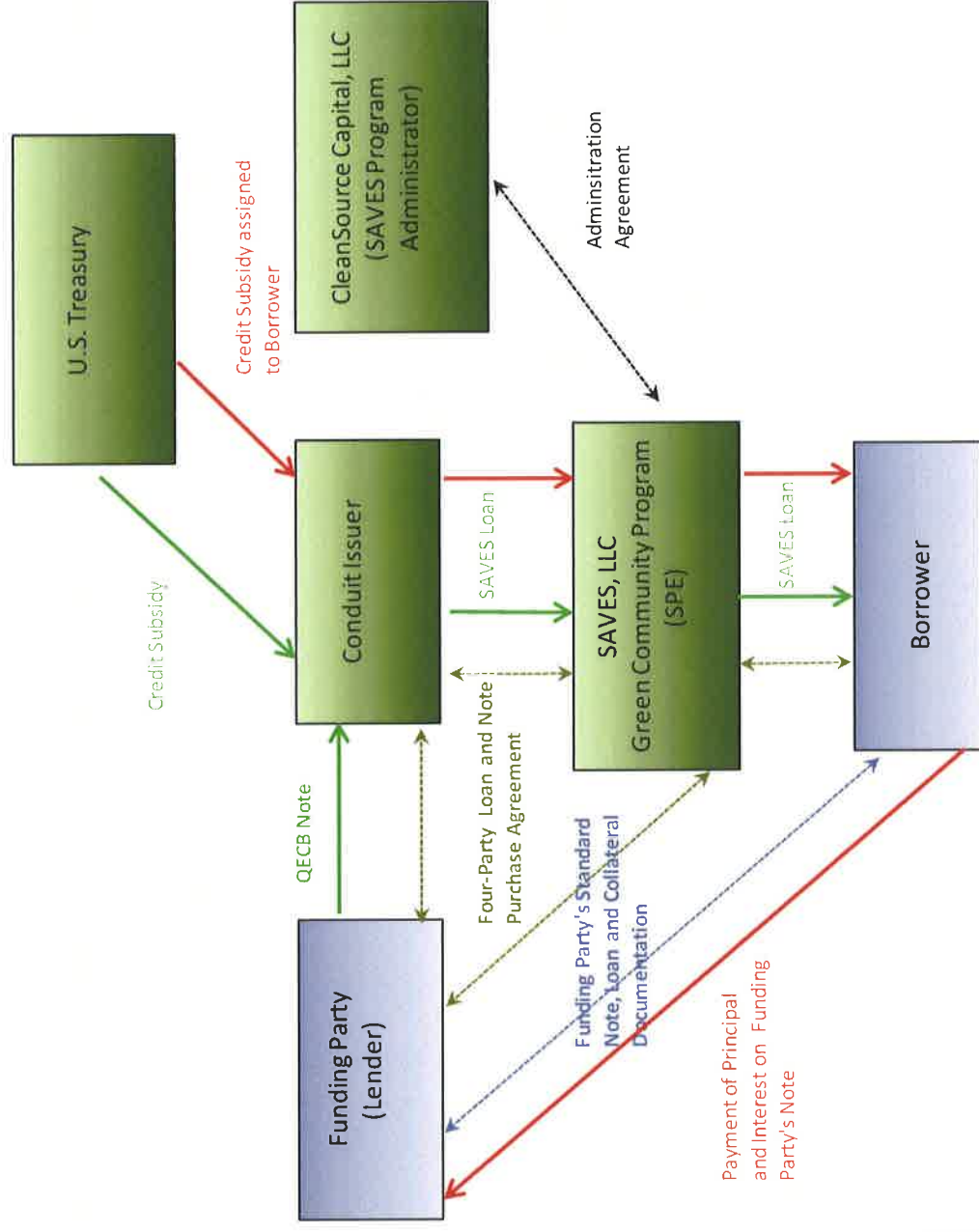
- \$23.0MM in underwriting to close by Q3
- \$26.3MM in active discussions
- Includes \$43.0MM in energy efficiency retrofits; \$15.9MM in CNG conversions; \$22.6MM in lighting retrofits; and \$39.3MM in other.
- Expectation to close on remaining \$23MM in allocation under SC SAVES by Q3 of 2015.



SC SAVES GCP PROGRAM – ROLES AND CONCEPTS



- **Key concepts:**
 - Lender funds transaction and assumes credit risk
 - Lender sets interest rate and terms that govern transaction, uses standard documents
 - Borrower pays lender directly and lender services loan
 - Conduit issues QECB note
 - mirroring lender's documents
 - Conduit assigns QECB credit subsidy to benefit of borrower to offset interest to lender
 - Net benefit currently approximately 3.0%
 - Borrower's payments under lender's note credited to payments owing under QECB
 - One additional document (four party agreement) to lender's standard loan docs



CLEAN SOURCE

- **CleanSource serves as Administrator for the Program:**
 - Design and implementation of the Program
 - Establishment of origination channels and marketing/sales
 - Screening, underwriting and approval of projects as coming within GCP
 - Energy savings underwriting of Qualified Conservation Measures
 - Credit underwriting for direct lending transactions
 - Review of Third-Party Lender's credit underwriting for subsidy transaction
 - Documentation and closing of transactions
 - On-going servicing of QEGBs and credit subsidy on behalf of Program
- **Design/Administrative Fees:**
 - Design fee for program documentation and set up at program inception
 - Program fee of 2% for subsidized loans out of proceeds on project basis as funded
 - On-going servicing fee of 40 bps for subsidized loans of principal outstanding paid out of credit subsidy



CLEAN SOURCE

Our mission is to expand energy efficiency in the built environment through innovation and excellent delivery of transformative financial and technology solutions that motivate building owners and occupants to make lasting change in energy consumption.

Greg Montgomery

704.271.9889

gmontgomery@abundantpower.com



ABUNDANT



POWER

Energy Efficiency Made Simple

Exhibit B to South Carolina Energy Office Application for QECB Reallocation

Jobs Created and Savings Generated through Reallocation

SUMTER CO. PROJECT

(1) Jobs Expected to be Created

The American Council for an Energy Efficient Economy estimates that each \$1 million expended on energy efficiency results in 20 additional jobs and that each \$1 million in savings from reduced energy consumption when recycled in the local economy produces another 17 additional jobs.

Based on these metrics, the SC SAVES Program would expect the full deployment of the \$4M reallocation sought to be issued through this application would result in:

- 80 direct jobs from the capital invested (20 jobs/\$1M invested x \$4M)
- 10 indirect jobs based on the expected energy savings of 6,000 MWhs annually, which at average retail price of \$0.10/kWh, equates to \$600k in annual savings (17 jobs/\$1M savings x \$600k)(for the expected energy savings see below)

The types of jobs to be created include design, engineering, construction, service and management associated with the implementation and on-going management of the Qualified Projects funded through the SC SAVES Program. Compensation to the workers for these jobs will be both wages and salaried. Wages paid for the implementation of the Qualified Projects will be in compliance with the Davis Bacon wage act requirements.

(2) Savings Expected to be Generated

Based on its experience in managing other SAVES programs, Abundant would estimate annual energy savings of 1,500 MWh's per \$1 million in capital expended, dependent on the type of energy efficiency or conservation measure being deployed. Thus, investing the full \$4 million available through the reallocation sought to be issued could generate projected annual energy savings of upwards of 6,000 MWh's.

RANDOLPH II PROJECT

(1) Jobs Expected to be Created

Based on there being 4 new CNG tractors acquired through the funding, SC SAVES would expect 4 new jobs to be created through the hiring of new drivers for the operation of these tractors.

Exhibit C to South Carolina Energy Office Application for QECB Reallocation

Project Cost Summary

It is expected that proceeds from the loans made for funding Qualified Projects through the SC SAVES Program will be used in three different ways:

- 1) To pay for the equipment and services required to install and/or maintain such equipment in two broad, general categories comprising :
 - Energy efficiency measures with a payback of 15 years or less using proven, commercial technologies with strong vendor warranties (e.g. 's: lighting and control upgrades; HVAC maintenance/replacement; chiller/boiler upfits; insulation; retro-commissioning; select distributed renewables generation)
 - Alternative fuel conversions of facilities or fleets from diesel or gasoline to propane or natural gas and refueling infrastructure
- 2) To pay for program fees associated with the SC SAVES Program which constitute 2% of the funds used to fund a Qualified Project.
- 3) To pay for issuance costs associated with the funding through the SC SAVES Program which is capped by the QECB regulations at 2% of the funding amount.

Using the above categories, of the \$2.3M reallocation requested to be issued in this application in support of the \$5M in project uses, the use and sources of proceeds can be broken out as follows:

USES:

1) Project costs (equipment and services):	
Sumter County- EPC Contract	\$ 3,840,000
Randolph II – CNG Trucks	\$ 960,000
2) Program Fee at 2%	\$ 100,000
3) Issuance Costs(not to exceed 2%)	<u>\$ 100,000</u>
	\$ 5,000,000

SOURCES:

1) Remainder of Original \$10M allocation	\$ 2,700,000
2) Requested Allocation under this Application	<u>\$ 2,300,000</u>
	\$ 5,000,000

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$36,500,000 Economic Development Bonds
Allocation Needed: -0-
Name of Project: CareAlliance Health Services D/B/A Roper St. Francis Healthcare
Employment Impact: maintenance of approximately 5,300 employees
Project Description: acquisition by Roper St. Francis Healthcare of approximately 123 acres of land in Goose Creek to be used as the site for the development of future healthcare facilities and the acquisition by Roper St. Francis Healthcare of capital assets throughout its healthcare system.
- Note:* *negotiated private sale*
Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, P. A.
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$12,300,000 Qualified Energy Conservation Bonds (previously approved \$10M on 5/2/11; \$2.3M added to finance energy performance contract in Sumter and CNG tractors for Randolph Trucking in Dorchester County (see blue agenda #4))
Allocation Needed: -0-
Name of Project: South Carolina SAVES, Inc. and Abundant Power Group, LLC and the South Carolina SAVES Green Community Program
Employment Impact: estimated at 84 direct jobs and 10 indirect jobs
Project Description: make low interest loans for the financing of energy efficiency and conservation projects sponsored by governmental, institutional and select commercial/industrial entities in municipalities and counties located within South Carolina
- Note:* *negotiated private sale*
Bond Counsel: Douglas Lamb, McGuireWoods LLP
- c. Issuing Authority: SC State Housing Finance and Development Authority
Amount of Issue: Not Exceeding \$70,000,000 Mortgage Revenue Bonds, Series 2015A (\$70,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: Mortgage Revenue Bonds, Series 2015A
Employment Impact: n/a
Project Description: Mortgage Revenue Bonds, Series 2015A
Bond Counsel: Rion D. Foley, McNair Law Firm

BOARD ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$36,500,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (CAREALLIANCE HEALTH SERVICES D/B/A ROPER ST. FRANCIS HEALTHCARE) PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE OF LAWS 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds or Notes (CareAlliance Health Services D/B/A Roper St. Francis Healthcare) in the aggregate principal amount of not exceeding \$36,500,000 (the "**Bonds**") through private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold by the Authority through a negotiated private sale to a financial institution;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale be and the same is hereby in all respects approved.

Section 3. The series designations of each series of the Bonds shall reflect the year of issuance of such series of the Bonds.

Section 4. This Resolution shall take effect immediately.

Summary of Financing Proposal for

Roper St. Francis Healthcare

PRELIMINARY – SUBJECT TO CHANGE

May 26, 2015

Bonds proposed to be financed	\$36,500,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Roper St. Francis Healthcare) Series 2015
-------------------------------	---

Projected average interest rate of bonds	3.75%
--	-------

Projected true interest cost of bonds	3.75%
---------------------------------------	-------

Estimated costs (costs as a percentage of bonds)

Underwriting	\$45,000 (.12%)
Legal fees – bond, disclosure and general counsel	\$190,000 (.52%)
Rating agency fees	0
Advisory fees	\$25,000 (.07%)
Bond trustee/registrar	\$5,000 (.01%)
Accounting and verification	0
Credit enhancement/bond insurance	0
Publication, printing, contingencies and all other expenses	\$35,000 (.10%)
Total	\$300,000 (.82%)

Prepared by: Jeremy L. Cook

Date: May 26, 2015

A RESOLUTION AMENDING AND SUPPLEMENTING A PRIOR RESOLUTION OF THE STATE BUDGET AND CONTROL BOARD DATED DECEMBER 10, 2013 AND APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH A NEGOTIATED PRIVATE SALE OF NOT EXCEEDING \$12,300,000 AGGREGATE PRINCIPAL AMOUNT QUALIFIED ENERGY CONSERVATION BONDS, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") previously heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), requested approval by the State Budget and Control Board (the "Board") of the issuance by the Authority pursuant to the Act of its Qualified Energy Conservation Bonds, in the aggregate principal amount of not exceeding \$10,000,000 through a negotiated private sale, which the Authority determined to be most advantageous; and

WHEREAS, the Board adopted a resolution, dated December 10, 2013 (the "Original Resolution"), approving the issuance by the Authority pursuant to the Act of its Qualified Energy Conservation Bonds, in the aggregate principal amount of not exceeding \$10,000,000 through a negotiated private sale, including changes in the details of said financing which did not materially affect the undertaking of the Authority; and

WHEREAS, the Authority has been advised by the Borrower (as defined herein) that the estimated cost of the project to be undertaken with the proceeds of its Qualified Energy Conservation Bonds has increased by up to \$2,300,000, and to defray a portion of the costs of such project and certain other related costs, the Borrower has requested the Authority to increase its issuing authority of \$10,000,000 as originally approved by up to \$2,300,000 for an aggregate total not to exceed \$12,300,000 of its Qualified Energy Conservation Bonds (the "Bonds"); and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be limited obligations of the Authority payable solely from loan repayments received by the Authority from South Carolina SAVES, Inc., a South Carolina non-profit corporation, an affiliate of Abundant Power Group, LLC, a North Carolina limited liability company, and created for purposes of the project to be undertaken with the proceeds of the Bonds (collectively with any affiliate thereof, the "Borrower"); and that a financial institution or other entity or purchaser acceptable to the Authority shall either purchase the Bonds or provide credit enhancement with respect to the Bonds in which event the Bonds would be sold at a negotiated private sale for private re-offering thereafter; provided, however, that the Bonds may be remarketed at a later date without such credit enhancement if the Authority receives, inter alia, evidence satisfactory to it that the Bonds will continue to be rated as investment grade or better by a nationally recognized securities rating group.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Amended Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a negotiated private sale, be and the same is hereby in all respects approved, including changes in the details of said financing which do not materially affect the undertaking of the Authority.

Section 3. Except as amended and supplemented hereby, the Original Resolution shall continue in force and effect.

Section 4. This Resolution shall take effect immediately.

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2015 A (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Budget and Control Board of South Carolina (the "State Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds, the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and/or to refund any such bonds of the Authority; and

WHEREAS, the Authority heretofore on September 13, 1994, adopted a General Resolution for the issuance of South Carolina State Housing Authority Mortgage Revenue Bonds to provide money for mortgage loans to the beneficiary classes and/or to refund any such bonds of the Authority and afterwards issued multiple series of its bonds pursuant to said General Resolution (the "General Resolution"); and

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds in one or more series, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring additional State Ceiling (the "Series 2015 A Bonds") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$70,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made directly (or indirectly through mortgage backed securities) with the proceeds of the Series 2015 A Bonds and when a determination of the appropriate amount of bonds of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the Series 2015 A Bonds will be sold to underwriters (the "Underwriters") headed by Citigroup Global Markets Inc. bearing interest at competitive rates; and

WHEREAS, such sale shall be made pursuant to a purchase contract between the Authority and the Underwriters (the "Purchase Contract"); and

WHEREAS, the State Board has given due consideration to the proposed undertaking of the Authority and wishes to give approval to the issuance and sale of the Series 2015 A Bonds, subject to the conditions set forth herein.

NOW, THEREFORE BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the State Board to the issuance and sale by the Authority of not exceeding \$70,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2015 A or such other numbering convention as may be necessary.

The Series 2015 A Bonds shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

Section 2. The approval is granted provided that the Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the purpose and the principal amount of the Series 2015 A Bonds to be issued;
- (b) the maturity schedule of the Series 2015 A Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds of the Authority; and
- (e) the method to be employed in selling the Series 2015 A Bonds

Section 3. The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the Series 2015 A Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the Series 2015 A Bonds;
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the Series 2015 A Bonds;
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract; and
- (f) The State Treasurer shall approve, upon determination that the funds anticipated to be available for the payment of the Authority's bonds, including the Series 2015 A bonds, will be sufficient to provide for the payment of principal and interest thereon.

Section 4. Approval is granted to the undertaking of the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the Series 2015 A Bonds and/or to refund any such bonds of the Authority.

Summary of Refinancing Proposal for
South Carolina Housing Finance and Development Authority
Mortgage Revenue Bonds, Series 2015 A

PRELIMINARY – SUBJECT TO CHANGE

May 20, 2015

Range of Bond Issues:	Taxable Bond Refunding	Tax Exempt Refunding with New Money Tax Exempt Bonds
Final sizing determined by market conditions at time of offering		
Outstanding bonds proposed to be refinanced	Series 2006 A \$39,595,000 maturing 7/1/2037	Same Refunded Bonds
Approximate New Money bonds	--	\$12,300,000
Total Bond Issuance	\$39,595,000	\$51,895,000
Average interest rate of bonds refinanced	5.103%	5.103%
Projected average interest rate of refinancing bonds	3.596%	3.671%
True interest cost of refinancing bonds ^(1.)	3.777%	3.581%
True interest cost of refinancing bonds ^(2.)	3.477%	3.235%
Projected net present value savings (net of costs) ^(2.)	\$5,771,331	\$3,143,026
Projected net present value savings as a percentage of the bonds refinanced ^(2.)	14.58%	6.06%
Estimated costs (costs related to refinancing as a percentage of refinancing bonds)	1.17%	1.17%
Estimated costs (costs related to refinancing as a percentage of refinancing savings) ^(2.)	8.06%	14.79%
Underwriting	\$273,386	\$394,211
Legal fees – bond, disclosure and general counsel (including expenses)	\$79,494	\$95,816
Rating agency fees	\$25,000	\$50,000

Advisory fees (including expenses)	\$44,696	\$50,948
Cash Flow Structuring fees	\$18,500	\$18,500
Bond trustee/registrar	\$10,416	\$11,632
Accounting and verification	\$0	\$0
Credit enhancement/bond insurance	\$0	\$0
Publication, printing, contingencies and all other expenses	\$13,508	\$13,893
Total Costs of Issuance	<u>\$465,000</u>	<u>\$635,000</u>

Costs Related to Refinancing	\$465,000	\$465,000
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Footnotes:

- 1) The first TIC calculation assumes no mandatory bond redemption, which is not typical for housing bonds.
- 2) Housing bonds differ from general obligation bonds in that they are subject to mandatory redemption at any time from repayments and prepayments of principal received on the underlying mortgage loans. In addition, the proposed bond structures include "Planned Amortization Class" bonds priced to include original issue premium. The so called "PAC" bonds have a higher coupon but a lower expected average yield because they are expected to be redeemed more rapidly resulting in a shorter average life. To adequately measure the yield on housing bonds, it is therefore important to apply a reasonably expected prepayment rate on the underlying mortgage loans. The estimates of yield and net present value provided assume expected mandatory bond redemption resulting from 200% PSA prepayment rate on the pledged mortgage loans.

Prepared by: Patrick Johnson & Tim Rittenhouse
CSG Advisors Incorporated

Date: May 20, 2015

AGENCY: B&CB/Elliott Davis

SUBJECT: SCSU Financial Analysis Update

By Resolution passed at the April 30, 2014, meeting, the Budget and Control Board (“Board”) authorized an interagency loan to South Carolina State University (“University”). As follow-up to the Resolution, the Board entered into an interagency loan agreement (“agreement”) with the University executed on May 22, 2014. Pursuant to both the Resolution and the Agreement, a portion of the loan proceeds were to be used by the Board to contract for consulting and/or auditing services to help the University assess and improve its financial management and various operational, administrative and governance practices. Accordingly, the Board engaged the accounting firm of Elliott Davis (now known as Elliott Davis Decosimo) to perform the services contemplated by the Resolution and Agreement.

As part of the engagement, Elliott Davis is to provide the following services and reports/deliverables:

- 1) A forecasted compilation of cash inflows and cash outflows which will result in a “Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses”;
- 2) A compiled statement of net position, a compiled statement of changes in net position and a compiled statement of cash flows (the financial statements);
- 3) Certain Agreed Upon Procedures (AUP) and an AUP Report; and,
- 4) A Letter of Comments and Recommendations.

At the March 18, 2015, meeting, the Board received and accepted the “Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses”. The Board, as client for the purposes of the Elliott Davis engagement, is now asked to receive and accept the draft compiled statements of net position, the AUP Report, and the Letter of Comments and Recommendations so that they can become final.

BOARD ACTION REQUESTED:

Receive and accept the compiled statements of net position, the AUP Report, and the Letter of Comments and Recommendations.

ATTACHMENTS:

STATE BUDGET AND CONTROL BOARD
MEETING OF June 16, 2015

REGULAR SESSION
ITEM NUMBER 2

AGENCY: South Carolina State University

SUBJECT: Request to Modify Repayment Terms of Budget and Control Board Interagency
Loan Resolution

Consider a request from South Carolina State University to modify repayment terms of a Budget and Control Board interagency loan of April 30, 2014 to South Carolina State University.

BOARD ACTION REQUESTED:

Consider a request from South Carolina State University to modify repayment terms of a Budget and Control Board interagency loan of April 30, 2014.

ATTACHMENTS:

Evans 3/16/15 letter



South Carolina State University

POST OFFICE BOX 7008
300 COLLEGE STREET, NORTHEAST
ORANGEBURG, SOUTH CAROLINA 29117-0001
(803) 536-7013

OFFICE OF THE PRESIDENT

FAX: (803) 533-3622

March 16, 2015

Ms. Marcia S. Adams
Executive Director
South Carolina Budget and Control Board
P.O. Box 12444
Columbia, SC 29211

Dear Ms. Adams:

As you are aware, I assumed the role of Acting President of South Carolina State University on the afternoon of February 23, 2015. Since that time, I have had the pleasure of meeting with you and having several conversations regarding pending and upcoming matters with the Budget and Control Board. The university received a \$6 million loan from the Budget and Control Board and was provided a resolution to repay this loan by the end of the 2014-2015 fiscal year.

The current academic year has been one of challenges, but South Carolina State University continues to work towards reaching the financial stability it once attained. The \$6 million came at a critical time, and those funds were used to meet payroll, debt service obligations, and to pay a portion of the severely delinquent vendor invoices that were outstanding at that time. Because our enrollment goal was not achieved as expected, the university has taken steps to reduce expenditures and operating costs; however, the university has not been able to eliminate all of the debt owed to our vendors.

If the university is required to repay the \$6 million loan at the end of this fiscal year, such an action would have an adverse effect on the institution. Several strategies for maintaining a balanced budget, such as a furlough and additional funds from the Blue Ribbon Panel, have not been realized to date. Despite my having to step into the chief executive role for the university, I have been working extremely hard with the administration and staff to chart a path toward fiscal responsibility and accountability. Therefore, I am prayerfully and respectfully requesting that repayment of the \$6 million loan be extended over a five to seven year period. The university anticipates receiving additional funds from the Blue Ribbon Panel, but those funds were also

awarded as a loan and will have to be repaid. While the funds are much needed, and the assistance greatly appreciated, the short repayment term is negatively impacting the financial ratios which in turn has had a negative impact on our ability to demonstrate financial stability with our accrediting body, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

I humbly ask that you will favorably consider my request for an extension in repaying the loan.

Sincerely,



W. Franklin Evans, Ph.D.
Acting President

cc: SCSU Board of Trustees

AGENCY: Division of General Services

SUBJECT: Greenville Technical College Lease-Outs to Greer Middle College

Greenville Technical College requests approval to lease approximately 6.0 acres of land located on their Benson Campus in Taylors to Greer Middle College, a South Carolina non-profit corporation, for the purpose of constructing and operating a public charter school or equivalent charter school providing public education.

This lease is the continuation of an existing partnership with Greer Middle College. Greer Middle College is presently operating out of portable buildings on the campus, and they desire to construct a permanent building near the site they are currently occupying. The Charter for the Middle College requires the institution be located on a college campus. Greer Middle College has almost 400 students and many of those students are also taking classes at Greenville Technical College. Many of the Middle College graduates enroll in Greenville Technical College after their high school career. Furthermore, the construction of this school on the Benson Campus will allow Greenville Technical College to have access to a gymnasium with a basketball court for student and college events. Based on the partnership and the benefits to both parties, the lease term will be fifty (50) years, beginning upon approval by the Budget and Control Board, at a rate of \$1.00 per year.

Both the Greer Charter High School Board and the Greenville Technical College Area Commission have approved the lease. Additionally, the State Board for Technical and Comprehensive Education approved the lease on May 28, 2015. Concurrent with the lease term, Greenville Technical College will grant general, non-exclusive easements as may be necessary and at the Landlord's discretion for the construction and maintenance of utility services, surface and storm water drainage, and property access. All maintenance and repairs of the leased property will be the sole responsibility of Greer Middle College. Any alterations, additions, or improvements constructed by Greer Middle College during the lease term will be and shall remain the property of Greer Middle College. Any such alterations, additions, or improvements must be removed at final termination of the lease and the property restored to a finished grade comparable to the condition of the property at inception of the lease.

BOARD ACTION REQUESTED:

Approve the proposed 50 year lease-out and related easements from Greenville Technical College to Greer Middle College.

ATTACHMENTS:

Agenda item worksheet; Letter from Greenville Technical College dated June 1, 2015; SC Code of Laws Sections 1-11-55, 1-11-56, and 10-1-130

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 16, 2015

REGULAR AGENDA

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:


Nolan L. Wiggins, Jr., Director

2. Subject: Greenville Technical College Lease-Out to Greer Middle College

3. Summary Background Information:

Greenville Technical College requests approval to lease approximately 6.0 acres of land located on their Benson Campus in Taylors to Greer Middle College, a South Carolina non-profit corporation, for the purpose of constructing and operating a public charter school or equivalent charter school providing public education.

This lease is the continuation of an existing partnership with Greer Middle College. Greer Middle College is presently operating out of portable buildings on the campus, and they desire to construct a permanent building near the site they are currently occupying. The Charter for the Middle College requires the institution be located on a college campus. Greer Middle College has almost 400 students and many of those students are also taking classes at Greenville Technical College. Many of the Middle College graduates enroll in Greenville Technical College after their high school career. Furthermore, the construction of this school on the Benson Campus will allow Greenville Technical College to have access to a gymnasium with a basketball court for student and college events. Based on the partnership and the benefits to both parties, the lease term will be fifty (50) years, beginning upon approval by the Budget and Control Board, at a rate of \$1.00 per year.

Both the Greer Charter High School Board and the Greenville Technical College Area Commission have approved the lease. Additionally, the State Board for Technical and Comprehensive Education approved the lease on May 28, 2015. Concurrent with the lease term, Greenville Technical College will grant general, non-exclusive easements as may be necessary and at the Landlord's discretion for the construction and maintenance of utility services, surface and stormwater drainage, and property access. All maintenance and repairs of the leased property will be the sole responsibility of Greer Middle College. Any alterations, additions, or improvements constructed by Greer Middle College during the lease term will be and shall remain the property of Greer Middle College. Any such alterations, additions, or improvements must be removed at final termination of the lease and the property restored to a finished grade comparable to the condition of the property at inception of the lease.

4. What is the Board asked to do? Approve the proposed 50 year lease-out and related easements from Greenville Technical College to Greer Middle College.

5. What is recommendation of the Division of General Services? Recommend approval of the proposed 50 year lease-out and related easements from Greenville Technical College to Greer Middle College.

6. List of Supporting Documents:

- Letter from Greenville Technical College dated June 1, 2015
- SC Code of Laws Sections 1-11-55, 1-11-56, and 10-1-130



P.O. Box 5616 • Greenville, SC 29606-5616
(864) 250-8000 • www.gvltec.edu

Barton Campus • Benson Campus • Brashier Campus • Northwest Campus

May 31, 2015

Ms. Ashlie Lancaster, Assistant Director
Division of General Services
SC Budget & Control Board
1200 Senate Street
460 Wade Hampton Building
Columbia, SC 29601

Reference: Ground Lease between Greenville Technical College and Greer Middle College

Dear Ms. Lancaster,

Greenville Technical College and Greer Middle College wish to enter into a new ground lease agreement in order for the middle college (a charter high school) to construct a new permanent facility on an approximately 6.0 acre site adjacent to the current location of temporary portable classroom buildings.

Attorneys for the Budget & Control Board, Greenville Technical College, and Greer Middle College have reviewed, edited, and returned the final version of the ground lease between Greenville Technical College and Greer Middle College to be approved by their respective boards. Approvals of the current lease document have received approval from the Greenville Technical College Area Commission, Greer Middle College, and the State Board for Technical and Comprehensive Education.

This lease is the continuation of an existing partnership with Greer Middle College. Greer Middle College is currently operating out of portable buildings on the college's Benson Campus. The charter for the middle college requires that the institution be located on a college campus. Greer Middle College has almost 400 students and many of those students are also taking classes at Greenville Technical College. Many of the middle college graduates enroll in Greenville Technical College after high school. The graduation rate for the students enrolled in charter high schools affiliated with the college is impressive, and the number of students continuing their education after high school is equally impressive. The construction of this school on the Benson Campus will allow Greenville Technical College to have access to a gymnasium with a basketball court for student and college events. Based on the partnership and the benefits to both parties, the minimal lease rate is justified.

I request that you present the attached ground lease document to the Budget & Control Board for approval to execute this lease at their June 16, 2015 board meeting.

Sincerely

A handwritten signature in blue ink that reads 'Jacqueline DiMaggio'.

Jacqueline DiMaggio
VP for Finance

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013.

SECTION 1-11-56. Program to manage leasing; procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency,
 - (b) a dissolution of the agency, and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

HISTORY: 1997 Act No. 153, Section 2.

SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of State Budget and Control Board.

The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

HISTORY: 1962 Code Section 1-49.3; 1963 (53) 177.

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 7-2015: JBRC Item 1. State Board for Technical and Comprehensive Education
Project: 6109, Orangeburg-Calhoun - Buildings A through J Roof Replacements
Funding Source: \$50,000 Other, Local funds, which are funds appropriated to the college by the county in support of the college.
Request: Establish project and budget for \$50,000 (Other, Local funds) to begin design work to replace roofs on buildings A through J and the connecting corridors at Orangeburg-Calhoun Technical College in Orangeburg County. The buildings range in age from 40 to 45 years old and all of the roofs to be replaced are over 25 years old. The expected life of these roofs was 20 years, and they have reached the end of their useful life. The project will include all components of the roof replacement, including 145,000 square feet of roofing and addressing any secondary drainage issues. The buildings house office space for 85 faculty and staff, 20 classrooms with an average capacity of 21 students, 15 labs with an average capacity of 21 students, 1 large computer lab, 1 large lecture room with a seating capacity of 180 and a library.
- (b) Summary 7-2015: JBRC Item 2. Department of Mental Health
Project: 9742, Morris Village Lake Dam Repairs
Funding Source: \$30,000 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: Establish project and budget for \$30,000 (Other, Capital Improvement and Maintenance Funds) to begin design work to repair the Morris Village Lake Dam at the Department of Mental Health's Morris Village Treatment Center in Richland County. Morris Village Lake is located adjacent to Morris Village and serves the Activity Therapy programs at Morris Village Treatment Center and Bryan Hospital. The dam was constructed in 1973 and approximately 300 clients, community and staff members use the facility annually. A study of the dam was performed in February 2015 which indicated that principal spillway intake structure and conduit had exceeded their design life. Seepage was also

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

observed on the downstream slope of the dam. The report recommended that either a pipe and riser spillway or a siphon spillway be constructed to replace the existing spillway. It also recommended that an internal drainage system be installed to collect the seepage and that the downstream slope of the dam be flattened to facilitate maintenance and improve stability. This request is in excess of the 1.5% typically allowed for pre-design as a wetlands delineation study will also need to be conducted in order to determine whether the Army Corps of Engineers has jurisdiction over this project.

- (c) Summary 7-2015: JBRC Item 3. Department of Transportation
Project: 9732, SHEP Greenville/Spartanburg Office Phase I
Funding Source: \$15,000, which includes \$12,000 Federal funds, which are a part of the Interstate Mobility Program, and \$3,000 Other, State Highway Funds, which are derived from revenues from the state motor fuel user fee.
Request: Establish project and budget for \$15,000 (\$12,000 Federal and \$3,000 Other, State Highway Funds) to begin design work to construct a new 2,000 square foot facility to house the State Highway Emergency Program (SHEP) unit in the Greenville/Spartanburg area. The facility will be co-located with the Upstate Salt Shed near Exit 58 on I-85 at the Greenville/Spartanburg county line. SHEP units assist motorists with minor repairs to disabled vehicles and, provide support with traffic control and traffic incident management. The facility would include an office for 15 SHEP employees, parking for their personal vehicles, and secure parking for the SHEP vehicles and equipment. The program is currently located in a 17 year old, 360 square foot construction trailer located at a closed rest area. The location was intended to be temporary at the time the program was implemented. This request is in excess of the 1.5% typically allowed for pre-design as the facility is new construction which requires more extensive design work to produce a good construction estimate and due to the small overall project budget.
- (d) Summary 7-2015: JBRC Item 4. Department of Transportation
Project: 9733, Headquarters Parking Garage Structural Repairs
Funding Source: \$15,750 Other, State Highway Funds, which are derived from revenues from the state motor fuel user fee.
Request: Establish project and budget for \$15,750 (Other, State Highway Funds) to begin design work to perform structural repairs and maintenance on the Headquarters Parking Garage at the Department of Transportation. The 38 year old 207,900 square foot facility provides 802 parking spaces. The last major

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

repairs to the facility were performed in 2012, with annual maintenance being performed since that time. The repairs would include repairs to cracked and spalling concrete decking and structural tee sections, sealing deck joints. They would also include a concrete surface coating on the top level of the parking structure to help prevent water intrusion.

Establish Construction Budget

(e) Summary 7-2015: JBRC Item 5. College Of Charleston

Project: 9660, Lesesne House Renovation

Funding Source: \$2,800,000 Other, College funds which are Renovation Reserve funds that are college fees not specifically earmarked for debt service, auxiliary enterprise, clubs or activities

Request: Increase budget to \$2,800,000 (add \$2,800,000 Other College funds and subtract \$42,000 Other, Capital Institutional Project Funds) to increase for construction a project to complete renovation of the Knox Lesesne House and the Knox Lesesne Carriage House at the College of Charleston. The project was established for pre-design in January 2015, which is now complete. The buildings, constructed in 1846, have served as student housing in the heart of the campus since the early 1970s and total 7,039 square feet. The Lesesne House was taken off-line in May 2013 after significant structural and wiring issues were discovered. The buildings have not received major renovation in over forty years and the mechanical, electrical, and plumbing systems need replacement. The renovation will convert the buildings from student housing to academic support offices in an effort to better preserve and more gently utilize this historic building, as well as address program space shortages. The renovation will slightly modify the interior to make it more functional as office space and make the building ADA-accessible. The renovated buildings will house the Office of Sustainability and the Office of Economic Development, including 9 staff and 67 student users, in addition to providing support to many other undergraduate students. The project will be LEED Silver certified with a positive cost benefit of \$87,609 and will include measures such as a subterranean rainwater collection and irrigation system, local sourcing and recycling of original building materials where possible, LED lighting and a rooftop solar array. The agency reports the total projected cost of this project is \$2,800,000, and additional annual operating costs between \$17,955 and \$19,390 are anticipated in association with this project. The projected date for

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

execution of the construction contract is January 2016, while the projected date for completion of construction is June 2017. (See attachment 1 for additional annual operating cost savings.)

(f) Summary 6-2015: JBRC Item 6. University of South Carolina

Project: 6109, Men's Basketball Office/Team Spaces Renovation

Funding Source: \$4,000,000 Athletic Operating Funds, which are funds generated from Athletic revenues which consist of ticket sales, SEC Conference Distributions, Gamecock Club contributions, seat premiums and corporate sponsorships.

Request: Increase budget to \$4,000,000 (add \$3,940,000 – Athletic, Operating Funds) to increase for construction a project to renovate 23,900 square feet in the lower level of the Carolina Coliseum to create a men's basketball office suite and renovation of team spaces which serve the men's and women's basketball programs as well as the volleyball program at the University of South Carolina. The project was established for pre-design in December 2014, which is now complete. The 412,606 square foot Carolina Coliseum is 47 years old and this portion of the Coliseum has not undergone major renovations in that time. The men's basketball offices will relocate from the volleyball facility to the Coliseum on the ground floor. The exterior entrance and grounds immediately around the Park Street entry will be improved to better define the home of the men's basketball program. The team spaces will accommodate all three programs by renovating the corridor between the Coliseum and Athletic Practice Facility, renovating locker rooms, and creating a shared weight room in proximity to all three programs with adjacent training rooms. Each program, in its current location, has limited reception and entry areas and requires the sharing of office space, making it difficult to strongly promote each program individually. The project will also eliminate the need for student athletes to travel among multiple facilities for different functions and will serve 100 team members, coaches, staff and trainers for the various programs. Energy saving measures will be installed, including variable air volume HVAC systems and energy efficient lighting. The agency reports the total projected cost of this project is \$4,000,000 with no additional annual operating costs associated with the project. The projected date for execution of the construction contract is April 2016 with completion of construction in April 2017.

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

(g) Summary 7-2015: JBRC Item 7. State Board for Technical and Comprehensive Education

Project: 6105, Florence-Darlington - Automotive and HVAC Technology Center

Funding Source: \$7,750,000, which includes \$2,750,000 Appropriated State funds, \$2,000,000 Other, Excess Debt Service Funds, \$2,000,000 Other, College and Local funds and \$1,000,000 Other Florence Darlington Education Foundation Funds.

Request: Increase budget to \$7,750,000 (add \$6,750,000 - \$1,750,000 Appropriated State, \$2,000,000 Other, Excess Debt Service, \$2,000,000 Other, College and Local and \$1,000,000 Other, Florence-Darlington Education Foundation Funds) to increase for construction a project to construct a new Automotive, Auto Body and HVAC Technologies Training Center at Florence-Darlington Technical College. The project was established for pre-design in February 2015 with legislatively authorized funds, which is now complete. The college's programs in these areas are currently constrained by the availability of facilities, limiting the number of students who can enroll in the programs. The waiting list for enrollment in these programs is currently over 200 students. In order to meet the needs of students and local industry, the college is planning to construct a new 35,000 square foot facility to house the Automotive, Auto Body and HVAC programs. The new facility will allow these programs to take advantage of the natural synergies that exist between programs, adding to the learning experience for students. The vacated space in the current automotive facility will be renovated to house the expanded Diesel program and the vacated space in the current HVAC facility will be renovated to house the Welding program. Determination of the LEED certification status of the project will be completed at design finalization as this project includes large open warehouse spaces that are not typically conducive to LEED certification. The agency reports the total projected cost of this project is \$7,750,000. Additional annual operating costs ranging from \$244,000 to \$258,000 are anticipated in the three years following project completion. The projected date for execution of the construction contract is August 2016 with completion of construction in January 2017. (See attachment 2 for additional annual operating costs.)

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- (h) Summary 7-2015: JBRC Item 8. State Board for Technical and Comprehensive Education
- Project: 6100, Piedmont - Admissions/Student Support Building B Renovations
Funding Source: \$2,238,000 Other, College Funds which are a combination of a \$150 per semester per student capital fee and residual balance transfers approved by the Area Commission.
- Request: Increase budget to \$2,238,000 (add \$2,208,000 Other, College Funds) to establish for construction a project to renovate the "B" Building at the Piedmont Technical College. The facility is occupied by student support, academics and continuing education, which includes financial aid, admissions, classrooms and training. The current space design does not accommodate the needs of the college. Building B was built in three phases in the years 1982, 1985 and 1989, totaling 19,830 square feet. Other than routine maintenance, roof replacement and restroom renovations, no major renovations have taken place since construction. In order to provide and accommodate the required space for student services, it is necessary to renovate the existing layout and offer a "one-stop-shop" environment by providing new and returning students the essential resources in one building. The project will involve renovating approximately 9,400 square feet of existing space and adding or rebuilding approximately 3,000 square feet to make the layout of the buildings more efficient. The agency reports the total projected cost of this project is \$2,238,000, with additional annual operating costs between \$8,528 and \$9,398 in the three years following project completion. The projected date for execution of the construction contract is September 2015, while the projected date for completion of construction is August 2016. (See attachment 3 for additional annual operating costs.)
- (i) Summary 7-2015: JBRC Item 9. Wil Lou Gray Opportunity School
- Project: 9513, Campus Repaving Project
Funding Source: \$468,268 which is made up of \$350,000 Appropriated State funds, which were appropriated specifically for campus improvements, and \$118,268 Other, Special Deposit funds which are earmarked funds from the agency's endowment
- Request: Establish project and budget for \$468,268 (\$350,000 Appropriated State and \$118,268 Other, Special Deposit funds) to establish for construction a project to repave roads and parking lots on campus of the Wil Lou Gray Opportunity School in Richland County. The agency has worked with DOT to secure preliminary estimates for the paving work and as such is requesting that this be

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approved for construction without previous pre-design approval. The project will include the replacement of all paving on campus (approximately 24,700 square yards), painting spaces, and installing curb cuts to improve ADA compliance. The project will also include the installation of a small parking lot (10-16 spaces) beside the B dorm, which is currently leased to another state agency, to accommodate parking needs for that building, as well as the construction of an asphalt pad to accommodate JROTC and other campus activities. The agency reports the total projected cost for this project is \$468,268.14 and no additional annual operating costs are expected as a result of this project. The projected date for execution of the construction contract is May 2015 with completion in September 2015.

(j) Summary 7-2015: JBRC Item 10. Vocational Rehabilitation Department

Project: 9600, Palmetto Center Facility Construction

Funding Source: \$10,650,125 which includes \$4,320,125 Capital Reserve funds, \$1,005,000 Appropriated State funds, which is part of an appropriation for facility improvements, and \$5,325,000 Federal funds, which are part of the state vocational rehabilitation services grant.

Request: Increase budget to \$10,650,125 (add \$7,650,125 - \$1,320,125 Capital Reserve, \$1,005,000 Appropriated State and \$5,325,000 Federal funds) to increase for construction a project to construct a new drug and alcohol treatment center to replace the Vocational Rehabilitation Department's Palmetto Center in Florence County. The project was established in October 2013 with legislatively authorized funds. The new 38,739 square foot facility, which will serve 50 clients and 44 staff, will replace the existing Palmetto Center, which is over 50 years old, and will be constructed on the existing 25 acres site. The new facility will include Men's and Women's dorm rooms, a community room, dayrooms, group therapy rooms, an exercise area, a computer classroom, offices, a kitchen and dining and support areas. The project will be constructed to LEED Silver certification with an estimated positive cost benefit of \$18,907 annually. The agency reports the total projected cost of this project is \$10,650,125 with no additional annual operating costs associated with this project. The projected date for execution of the construction contract is September 2015 with completion of construction in September 2016.

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- (k) Summary 7-2015: JBRC Item 11. Department of Mental Health
Project: 9732, Harris Hospital Utility Building Renovations
Funding Source: \$946,000 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: Increase budget to \$946,000 (add \$931,000 Other, Capital Improvement and Maintenance Funds) to increase for construction a project to replace the Harris Hospital Utility/Support Building roof and wall waterproofing. The roof of the building is 29 years old and is constructed of precast concrete framing and a poured concrete deck. The poured concrete deck is covered with a membrane roofing system on top of which is 18 inches of soil covered with grass. The 13,016 square foot existing roof is leaking and concrete is falling from the concrete roof framing and deck. Signs of water infiltration have also been discovered in the exterior walls of the facility, indicating that waterproofing on the retaining walls has begun to fail. Soil excavations performed along the retaining wall and roof have indicated that the entire rear wall will need to be exposed in order to replace the waterproofing system. This will require extensive shoring work during construction. The scope revision will also allow for a French Drain system will be installed at the foundation level to help prevent future moisture intrusion. The agency reports the total projected cost of this project is \$946,000 with no additional annual operating costs associated with the project. The projected date for execution of the construction contract is January 2016 with completion of construction in July 2016.
- (l) Summary 7-2015: JBRC Item 12. Department of Disabilities and Special Needs
Project: 9885, Whitten Center Preventive Maintenance
Funding Source: \$325,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.
Request: Increase budget to \$325,000 (add \$320,125 - \$211,775 Excess Debt Service and \$108,350 Other, Whitten Center Trust Funds) to increase for construction a project to perform preventive maintenance at the Whitten Center in Laurens County. Seventeen buildings covering 121,628 square foot Whitten Center will be included in the project. The buildings serve approximately 264 clients and staff and range in age from 14 to 81 years old. Systems affected by the project range in age from 3 to 51 years old. Maintenance projects will include

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upgrading the dormitory fire alarm systems to include carbon monoxide detectors, replacing windows in a dorm, renovating the activity building, replacing a boiler at the dental clinic, tree removal and trimming and landscaping replacement at the Sensory Garden. The agency reports the total projected cost of this project is \$325,000 and no additional annual operating costs are anticipated in association with this project. The expected date for the execution of the construction contract is June 2015 with completion of construction in June 2016.

- (m) Summary 7-2015: JBRC Item 13. Department of Disabilities and Special Needs
Project: 9886, Midlands Center Preventive Maintenance
Funding Source: \$390,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.
Request: Increase budget to \$390,000 (add \$384,150 Excess Debt Service funds) to increase for construction a project to perform preventive maintenance at the Midlands Center in Richland County. Twelve buildings at the 204,494 square foot Midlands Center will be included in the project. The buildings serve approximately five hundred clients and staff and range from 28 years old to 51 years old. All systems to be maintained or replaced are at least twelve years old, with most being significantly older. Maintenance projects will include the replacement of exterior soffit lights at dormitories to improve safety and security for residents, replacement of interior lighting and controls in dormitory storage areas, the removal of an underground fuel tank, painting of exterior entrances to the building, replacement of ceiling tiles, replacement of carpeting and the renovation of bathrooms for ADA compliance, and other lifecycle replacement projects. The agency reports the total projected cost of this project is \$390,000 and no additional annual operating costs are anticipated in association with this project. The expected date for execution of the construction contract is June 2015 with completion of construction in August 2016.

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- (n) Summary 7-2015: JBRC Item 14. Department of Disabilities and Special Needs
Project: 9887, Statewide Facilities License Conversion and Preventive Maintenance
Funding Source: \$400,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.
Request: Increase budget to \$400,000 (add \$394,000 Excess Debt Service funds) to increase for construction a project to replace building components at Department of Disabilities and Special Needs facilities statewide to provide code compliant upgrades that will allow for conversion of their licenses from ICF-ID to CRCF or CTH II license designations. The buildings range in age from 25 to 74 years old and serve 76 clients and staff. The projects will address life cycle replacement issues for HVAC equipment, water heaters, sanitizers, windows, doors, roofing, and life safety systems. It will also include energy efficient lighting, building envelope insulation, kitchen cabinet refurbishment, kitchen countertop replacement, and roll-in shower conversion. The agency reports the total projected cost of this project is \$400,000 and no additional annual operating costs are anticipated in association with this project. The expected date for execution of the construction contract is June 2015 with completion of construction in July 2016.
- (o) Summary 7-2015: JBRC Item 15. Department of Disabilities and Special Needs
Project: 9888, Pee Dee/Saleeby Centers Preventive Maintenance
Funding Source: \$522,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.
Request: Increase budget to \$522,000 (add \$514,170 Excess Debt Service funds) to increase for construction a project to perform preventive maintenance at the Pee-Dee Center, located in Florence and Saleeby Center, located in Hartsville. A total of 72,394 square feet will be renovated in this project across both centers. Buildings included in the project range in age from 35 to 47 years old and the renovations will impact 213 clients and staff. The work at the Pee Dee Center will include renovation of a total of 24 bathrooms located across six dorms, the replacement of cooking equipment in the Pee Dee Center Central Kitchen, the replacement of HVAC equipment in the Pee Dee Central Kitchen and a dorm, and the replacement of flooring in the administration and program buildings. The work at the Saleeby Center will include the replacement of

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damaged ceiling tiles, commercial laundry equipment and wall finishes, as well as the installation of additional accessible handrails. The agency reports the total projected cost of this project is \$522,000 and no additional annual operating costs are anticipated in association with this project. The expected date for execution of the construction contract is June 2015 with completion of construction in December 2016.

Increase Budget

- (p) Summary 7-2015: JBRC Item 16. Coastal Carolina University
Project: 9548, Smith Science Building Renovation
Funding Source: \$7,150,000 which is made up of \$1,000,000 Appropriated State funds appropriated for this purpose, \$3,966,600 Other Renovation Reserve funds and \$2,183,400 Other, Institutional Capital Project funds.
Request: Increase budget to \$7,150,000 (add \$5,125,000 - \$1,000,000 Appropriated State, \$2,183,400 Other, Institutional Capital Project Fund and \$1,941,600 Other, Renovation Reserve/Plant Expansion Funds) to revise the scope and increase the construction budget for a project to perform maintenance on the Smith Science Building at Coastal Carolina University. The project was approved for pre-design in May 2006 and increased for construction in September 2007. Renovations to this building were put on hold as funding was secured and two new science buildings were constructed so that these renovations could be considered as part of a comprehensive package to address the needs of the science departments at the college. The approximately 40,000 square foot facility is 35 years old and has not undergone major renovations in that time. The project originally included only HVAC repairs, roof repairs, electrical upgrades and window replacements. The scope revision would add interior work to reconfigure portions of the building to allow for the reconfiguration of lab and office spaces as well as the abatement of asbestos found in floor tile, floor mastic and glue. The project will address maintenance issues, including replacement of the roof, replacement of windows, repair of trim work and the repair of masonry cracks. Interior improvements will include selective demolition to allow for the reconfiguration of space and the construction of a new 400 square foot entryway as well as interior cosmetic improvements. The Smith Science building will house the Physics, Mathematics and Psychology departments and the renovation will include state of the art teaching labs, classrooms, tutoring areas, office space to

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accommodate 68 faculty and staff, 13 labs/classrooms seating 25-35 students each, conference rooms and lounges. This renovation will complete the construction and reconfiguration of the science complex. The agency reports the total projected cost for this project is \$7,150,000 and that no additional annual operating costs are anticipated in association with the project. The projected date for execution of the construction contract is June 2016 with completion of construction in June 2017.

- (q) Summary 7-2015: JBRC Item 17. Vocational Rehabilitation Department
Project: 9554, Lyman VR Center Land Purchase/Building Construction
Funding Source: \$10,026,485 which includes \$1,500,000 Capital Reserve funds, \$758,100 Appropriated State funds, which are appropriations carried forward by the agency, \$5,325,742 Federal funds, which are from the state vocational rehabilitation services grant, \$2,160,743 Other, Work Shop Production funds, which are revenues derived from training center contracts, \$141,900 Other, Other Reimbursements funds which are other reimbursements due to the agency and expended pursuant to Proviso 32.1 and \$140,000 Other, Sale of Land funds, which are revenues derived from the sale of land in Laurens County by the agency.
- Request: Increase budget to \$10,026,485 (add \$995,000 - \$855,000 Federal and \$140,000 Other, Sale of Land funds) to increase the construction budget for a project to construct a training center and storage building at the Department of Vocational Rehabilitation's Lyman VR Center in Spartanburg County. The project original project included both the land acquisition and the construction of the facility. The project was initiated in June 1998 and the land acquisition was completed in August 2006. In January 2008 approval was given to proceed with pre-design for the construction of the 18,000 square foot training center and 10,000 square foot storage building. Approval for the construction of the facilities was granted in December 2009 for a total budget of \$9,031,485 but the project was put on hold shortly thereafter due to the effects of agency budget reductions. The agency has restarted work on the project and has discovered that an additional \$995,000 is needed to complete the project, primarily due to inflation. The agency reports the total projected cost of this project is \$10,026,485 and additional annual operating costs ranging from \$1,199,598 to \$1,223,598 are anticipated in the three years following project completion. The projected date for execution of the construction contract is September 2015 with completion of construction in September 2016. (See attachment 4 for additional annual operating costs.)

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- (r) Summary 7-2015: JBRC Item 18. Department of Mental Health
Project: 9703, Bryan Hospital C&A Renovation
Funding Source: \$15,359,850, which includes \$ 13,759,850 Other, Operating Revenue funds and \$1,375,000 Other, Deferred Maintenance funds, which are funds authorized pursuant to Proviso 35.10 of FY 2014-15 for maintenance and repairs.
Request: Increase budget to \$15,359,850 (add \$225,000 Other, Deferred Maintenance funds) to increase the construction budget of a project to perform renovations to Bryan Psychiatric Hospital for renovations and additions related to the Child and Adolescent Programs in Richland County. The project was established in September 2006 to construct a new Child and Adolescent (C&A) Hospital and revised in August 2009 to renovate a building at Hall Institute to provide for this need. In October 2012 the project was modified to change the location from the 49 year old Hall Institute, located on the Bull Street campus, to the Bryan Psychiatric Hospital campus. The project was changed due to excessive deferred maintenance, renovation and code upgrade costs and due to the availability of space at the Bryan Psychiatric Hospital campus. The project includes 21,000 square feet of new construction and 36,900 square feet of renovation. The increase of \$225,000 is needed to correct electrical hardware issues in the lodges being renovated and to allow for the use of temporary office space longer than originally anticipated. The buildings at Bryan being renovated are 35 years old and the facility will serve approximately 44 staff and 220 residents. The agency reports the total projected cost of this project is \$15,359,850.
- (s) Summary 7-2015: JBRC Item 19. Department of Agriculture
Project: 9513, State Farmers Market Signage
Funding Source: \$363,779, which includes \$292,000 Other, Accrued Interest funds which are interest accrued and retained by the agency from the sale of property and \$71,779 Other, Tobacco funds, which are funds directed to the agency by proviso for the marketing and branding of agricultural crops.
Request: Increase budget to \$363,779 (add \$122,710 - \$71,779 Other, Tobacco and \$50,931 Other, Accrued Interest funds) to increase the construction budget to construct sign for the State Farmers Market adjacent to the facility in Lexington County. The project was initiated as a staff level project in February 2013 and was increased for construction in July 2014. The project will include the construction of a sign on the east side of US Highway 321 at the SC State

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Farmers Market in Lexington County. The agency plans to construct a double sided monument entry sign of metal and stone construction with a full color message board, and lettering designating the location as the SC State Farmers Market. The sign will be visible during the day and at night to drivers traveling in both directions. After the project was increased for construction, the agency procured final design work for the project. The design work cost \$38,080 more than originally budgeted and the construct estimate was \$59,427 more than originally budgeted. The agency is also requesting an increase cover added contingency and inspection costs. The agency reports that these differences are due to the fact that the cost of a large complex sign is highly dependent on the exact final design chosen. The agency is also requesting an increase cover added contingency and inspection costs. The agency reports the total projected cost of this project is \$363,779. No additional operating costs or savings are anticipated to result from the project. The anticipated date for the execution of the construction contract is June 2015, with completion of construction in December 2015.

Revise Scope

- (t) Summary 7-2015: JBRC Item 20. Department of Mental Health
Project: 9735, Veterans Victory House Nurse Call/CCTV System Renovations
Funding Source: \$7,500 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: To revise the scope of a project to renovate the nurse call and closed circuit television (CCTV) systems at the Department of Mental Health's Veterans Victory House in Walterboro, SC. The 124,810 square foot 220 bed facility provides medical and nursing care, dementia care, rehabilitative therapy, pharmacy services, recreational and therapeutic activities, dietary and other services. The facility houses 220 veterans, and is used by approximately 230 support staff. The existing nurse call system is obsolete and has become unreliable. The existing black and white CCTV system is ten years old. The cameras are of a poor quality and are not located to meet current needs. The CCTV system will be replaced by a digital system to allow for enhanced monitoring and greater flexibility. In the original project scope the agency anticipated that most of the in-room components of the nurse call system could

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be reused. However, upon beginning design work, the agency discovered that replacement of the in-room components, including wiring and terminal points, would also be required. The agency is requesting to revise the scope to allow for a full replacement of the nurse call system.

Preliminary Land Acquisition

- (u) Summary 7-2015: JBRC Item 21. Department of Natural Resources
Project: 9946, Lancaster/Kershaw-Catawba River WMA Property Acquisition – Phase II
Funding Source: \$20,000 Other, Heritage Land Trust Funds, funds provided from various sources by law which can be used for acquiring interest in property in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of interest in priority areas.
Request: Establish project and budget for \$20,000 (Other, Heritage Land Trust Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. The Department of Natural Resources is considering the acquisition of approximately 1,829 acres of land in Lancaster and Kershaw Counties by the Department of Natural Resources. The property is adjacent to the agency's Liberty Hill Wildlife Management Area and is part of an overall acquisition plan for the larger Catawba Wildlife Management Area. Acquisition of this property will protect land containing habitats for deer, quail, small game and turkey. After the property is acquired it will be managed as part of the Catawba River WMA and will be open to the public for fishing, hunting, hiking and wildlife viewing.

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Attachments

Permanent Improvement Project Information for June 16, 2015 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
H59-6109	Orangeburg-Calhoun Tech - Buildings A through J Roof Replacements	\$50,000 for pre-design	6/16/15	\$50,000	6/16/15	No	To Be Determined
J12-9742	Department of Mental Health - Morris Village Lake Dam Repairs	\$30,000 for pre-design	6/16/15	\$30,000	6/16/15	No	To Be Determined
U12-9732	Department of Transportation - SHEP Greenville/Spartanburg Office Phase I	\$15,000 for pre-design	6/16/15	\$15,000	6/16/15	No	To Be Determined
U12-9733	Department of Transportation - Headquarters Parking Garage Structural Repairs	\$15,750 for pre-design	6/16/15	\$15,750	6/16/15	No	To Be Determined
H15-9660	College of Charleston - Lesesne House Renovation	\$42,000 for pre-design	1/27/15	\$42,000	1/27/15	Yes	\$2,800,000
H27-6109	University of South Carolina - Men's Basketball Office/Team Spaces Renovation	\$60,000 for pre-design	12/8/14	\$60,000	12/8/14	Yes	\$4,000,000
H59-6105	Florence-Darlington Tech - Automotive and HVAC Technology Center	\$1,000,000 for pre-design	2/9/15	\$1,000,000	2/9/15	Yes	\$7,750,000
H59-6100	Piedmont Tech - Admissions/Student Support Building B Renovation	\$30,000 for pre-design	1/27/15	\$30,000	1/27/15	Yes	\$2,238,000
H71-9513	Wil Lou Gray Opportunity School - Campus Repaving Project	\$468,268	6/16/15	\$468,268	6/16/15	No	\$468,268
H73-9600	Vocational Rehabilitation - Palmetto Center Facility Construction	\$3,000,000	10/15/13	\$3,000,000	\$41,562	No	\$10,650,125

Permanent Improvement Project Information for June 16, 2015 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
J12-9732	Department of Mental Health - Harris Hospital Utility Building Renovations	\$15,000 for pre-design	10/14/14	\$15,000	10/14/14	No	\$946,000
J16-9885	Department of Disabilities and Special Needs - Whitten Center Preventive Maintenance	\$4,875 for pre-design	3/18/15	\$4,875	3/18/15	Yes	\$325,000
J16-9886	Department of Disabilities and Special Needs - Midlands Center Preventive Maintenance	\$5,850 for pre-design	3/18/15	\$5,850	3/18/15	Yes	\$390,000
J16-9887	Department of Disabilities and Special Needs - Facilities License Conversion and Preventive Maintenance	\$6,000 for pre-design	3/18/15	\$6,000	3/18/15	Yes	\$400,000
J16-9888	Department of Disabilities and Special Needs - Pee Dee/Saleeby Centers Preventive Maintenance	\$7,830 for pre-design	3/18/15	\$7,830	3/18/15	Yes	\$522,000
H17-9548	Coastal Carolina University - Smith Science Building Renovation	\$2,025,000	9/20/07	N/A	N/A	Yes	\$7,150,000
H73-9554	Vocational Rehabilitation - Lyman VR Center Land Purchase/ Building Construction	\$10,000	6/9/98	N/A	N/A	No	\$10,026,485
J12-9703	Department of Mental Health - Bryan Hospital C&A Renovation	\$1,300,000	9/19/06	N/A	N/A	No	\$15,359,850
P16-9513	Department of Agriculture - State Farmers Market Signage	\$241,069	2/20/13	\$3,750	7/2/15	No	\$365,779
P16-9735	Department of Mental Health - Veterans Victory House Nurse Call/ CCTV System Renovations	\$7,500 for pre-design	12/8/14	\$7,500	12/8/14	Yes	To Be Determined
P24-9946	Department of Natural Resources - Lancaster/Kershaw-Catawba River WMA Property Acquisition - Phase II	\$20,000 for preliminary studies	6/16/15	\$20,000	6/16/15	No	To Be Determined

**ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY Code H15 Name College of Charleston

2. PROJECT Project # 9660 Name Lesesne House Renovation

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2017-18	\$ 17,955.00	\$	\$	\$ 17,955.00
2) 2018-19	\$ 18,658.00	\$	\$	\$ 18,658.00
3) 2019-20	\$ 19,390.00	\$	\$	\$ 19,390.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
n/a

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided?
n/a YES NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS	AMOUNT
1. Utility cost reduction due to high efficiency systems	\$17,598.00
2. Utility cost reduction due to rooftop solar panel	357.00
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$17,955.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Stephen C. Delorme Exec. Vice-President for Business Affairs MAY 4, 2015
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY Code H27 Name USC Columbia

2. PROJECT Project # 6109 Name Men's Basketball Offices and Team Spaces Renovation

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4. TOTAL ADDITIONAL OPERATING COSTS/SAVINGS
Projected Financing Sources

(1) Fiscal Year	(2) General Funds	(3) Federal	(4) Other	(5) Total
1)	\$	\$	\$	\$ 0.00
2)	\$	\$	\$	\$ 0.00
3)	\$	\$	\$	\$ 0.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided? YES NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS	AMOUNT
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	_____

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: [Signature] Director, Planning and Programming
Signature of Authorized Official and Title 5/1/15
Date

**ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY Code H-59 Name Florence-Darlington Technical College.

2. PROJECT Project # 6105 Name FDTC Automotive & HVAC Technology Center

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4. TOTAL ADDITIONAL OPERATING COSTS / SAVINGS

Projected Financing Sources

(1) Fiscal Year	(2) General Funds	(3) Federal	(4) Other	(5) Total
1) 2016-17	\$	\$	\$ 244,000.00	\$ 244,000.00
2) 2017-18	\$	\$	\$ 251,000.00	\$ 251,000.00
3) 2018-19	\$	\$	\$ 258,000.00	\$ 258,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
County Appropriations

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided? YES NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS	AMOUNT
1. Utilities	\$95,000.00
2. Custodial Services	70,000.00
3. Security	79,000.00
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$244,000.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. N/A

9. Submitted By: Steve Odell VP for Business Affairs 1-15-15
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY Code H59 Name PIEDMONT TECHNICAL COLLEGE

2. PROJECT Project # 6100 Name PTC Financial Aid / Admissions / Student Support - "B" Building Renovations

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)
 COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other-College Fund	Total
1) 2013	\$	\$	\$8,525	\$8,528
2) 2014	\$	\$	\$8,951	\$8,951
3) 2015	\$	\$	\$9,398	\$9,398

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget?
 If no, how will additional funds be provided? YES NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year. Projected amount below illustrates additional cost over existing facility budget. ***Cost factors are based on new construction space (3,000 sq.ft.) only. Renovated space already included in existing budget.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$ 4,375</u>
2. <u>Custodial</u>	<u>\$ 3,150</u>
3. <u>Maintenance</u>	<u>\$ 1,000</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$8,525</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Paige Childs - V/P Finance and Business
Paige Childs Signature of Authorized Official and Title Date 4/28/15

HeC

**Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects**

Item (e) – College of Charleston

Lesesne House Renovation

The sources of funds for construction total \$2,800,000 and include only Other, College funds, which are Renovation Reserve funds that are college fees not specifically earmarked for debt service, auxiliary enterprise, clubs or activities.

The University reports that no increase in any student fee or tuition will be associated with this project.

Item (f) – University of South Carolina -

Men's Basketball Office/Team Spaces Renovation

The sources of funds construction total \$4,000,000 and include \$2,435,075 Other, Maintenance and Stewardship funds which are comprised of tuition, matriculation and other debt retirements and plant transfer revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period and \$825,209 Other, FY 2014-15 Lottery Funds which are funds appropriated by the General Assembly for maintenance needs.

The University reports that no increase in any student fee or tuition will be associated with this project.

Item (g) – Florence-Darlington Technical College

Automotive and HVAC Technology Center

The sources of funds for construction total \$7,750,000, which include \$2,750,000 Appropriated State funds, \$2,000,000 Other, Excess Debt Service funds, \$2,000,000 Other, College and Local funds and \$1,000,000 Other Florence Darlington Education Foundation funds.

The College reports that no increase in any student fee or tuition will be associated with this project.

Item (h) – Piedmont Technical College

Admissions/Student Support Building B Renovations

The sources of funds for construction total \$2,238,000, which includes only of Other, College Funds which are made up of a combination of a \$150 per semester per student capital fee and residual balance transfers approved by the Area Commission.

The College reports that no increase in any student fee or tuition will be associated with this project.

Item (p) – Coastal Carolina University

Smith Science Building Renovation

The sources of funds for construction total \$7,150,000, which include \$1,000,000 Appropriated State funds appropriated for this purpose, \$3,966,600 Other Renovation Reserve funds and \$2,183,400 Other, Institutional Capital Project funds.

The University reports that no increase in any student fee or tuition will be associated with this project.